



REPORT &
ACCOUNTS
2021 FINANCIAL YEAR

**EDIA****Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A.**

SHARE CAPITAL	913.158.750,00 EUR
EQUITY	90.609.953,00 EUR
LEGAL PERSON NO.	503 450 189
REGISTRATION	01 084/950316 da Conservatória do Registo Comercial de Beja
REGISTERED OFFICE	Rua Zeca Afonso, N.º 2 – 7800 – 522 – BEJA
LISBON DELEGATION	Espaço Amoreiras – Centro Empresarial. Rua D. João V, N.º 24, 1.03. – 1250-091 LISBOA
ALQUEVA DELEGATION	Apartado 126 – 7860 – MOURA
PEDRÓGÃO DELEGATION	Apartado 126 – 7860 – MOURA
NOUDAR NATURE PARK	Apartado 5 – 7230 – BARRANCOS
MUSEU DA LUZ (LUZ MUSEUM)	Largo da Igreja Nossa Sr.ª da Luz – 7240 – 100 – LUZ – MOURÃO
	site: www.edia.pt
PHOTOGRAPHY	António Cunha/EDIA

REPORT AND ACCOUNTS

2021 FINANCIAL YEAR

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CHAPTER 01

FINANCIAL STATEMENT

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CHAPTER 1 - FINANCIAL STATEMENT

MESSAGE FROM THE PRESIDENT

The Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A. (EDIA) (Alqueva Development and Infrastructure Company) belongs to the State Business Sector under the Ministry of Agriculture and is responsible for the integrated management of the Empreendimento de Fins Múltiplos de Alqueva (EFMA) (Alqueva Multipurpose Alqueva Development), promoting and enhancing the positive socio-economic impacts that enable balanced regional development.

EFMA is the largest public investment in the Alentejo, the most structuring national hydro-agricultural project, and over the last decade has been responsible for changing the agricultural landscape of the country, making a decisive contribution to the national economy.

The year 2021 was globally still marked by the serious pandemic crisis despite the economic situation showing some signs of recovery. Periods of confinement still persisted and if teleworking was the “new normal” in most offices, in agriculture activity never stopped, with the continuity of installed operations as well as the equipping of new areas or the installation of new crops.

The unequivocal sign of this dynamic was given by the 5% growth in the registered area to 108,158 hectares, consolidating the success of the hydro-agricultural component of the Alqueva project.

From a meteorological point of view there were two fairly wet months despite the year having accumulated a lower-than-average level of rainfall.

The month of February, in particular, generated significant runoff with the Alqueva reservoir recording a positive variation in storage of over 1000 million cubic metres (Mm³) in the first quarter of the year.

Alqueva showed, once again, that it works as designed, with an enormous capacity to regulate flows, damming water when nature provides it, so that it can be used when the region needs it most.

Turnover remained practically unchanged, although costs fell by about EUR 4 million, mainly as a result of the higher levels of rainfall in the first half of the year and a EUR 3 million reduction in provisions. As an effect, a variation of the same magnitude, but in the opposite direction, was registered in the net result.

An analysis of the company's financial situation shows that equity increased by EUR 44 million as a result of the shareholder's capital increases of EUR 53 million, with the total balance sheet remaining practically the same as the previous year after applying the results of the previous year.



The investment made reached EUR 28 million, materialised in the construction works in the new benefited areas of Évora, Cuba-Odivelas, Viana do Alentejo and in the connection to the adduction system to Morgavel. While the first two systems have already been tested in the summer of 2021, the last two should come into operation in the 2022 irrigation campaign. This way, EFMA will benefit an additional 10,000 hectares of area and the water from Alqueva will guarantee the supply of the Sines industrial area.

At the end of the year, it is worth noting the signing of the addendum to the concession contract for the use of water resources to capture water for irrigation and electricity production in the primary system, which updated the list of new infrastructures allocated to the concession, formally integrating the Alvito dam into EFMA.

Towards sustainability, we have been investing in the production of part of our major energy needs. The production in the mini-hydroelectric plants managed by the company reached 7 GWh and photovoltaic production rose to 5 GWh, but in the near future we intend to increase this last value 20 times with the installation of large floating photovoltaic plants near the pumping stations of the primary network.

Our vision is to produce locally all the energy needs using solar energy, thus ensuring the lowest energy costs and the total decarbonisation of the water distribution activity. The company has already secured financing for the installation of a combined power plant of over 50 MW and is only awaiting superior authorisation to launch the respective tender.

The implementation of this ambitious photovoltaic energy production project for self-consumption is the most important development vector with a view to the long-term sustainability of the Alqueva project.

Finally, a word of thanks is due to our customers, the financing entities, the shareholder, the suppliers and all the entities that contributed to the achievement of our mission. A special thanks is due to our employees who, despite all the constraints, never stopped, helping to make the Alentejo “a new land of water”.

José Pedro Salema
President of the Board of Directors of EDIA



**EDIA is responsible for the integrated
management of the Empreendimento de
Fins Múltiplos de Alqueva (EFMA) (Alqueva
Multipurpose Alqueva Development), promoting
and enhancing the positive socio-economic
impacts that enable balanced regional
development**

José Pedro Salema

Photo: Alqueva Dam

CHAPTER 1 - FINANCIAL STATEMENT

PRELIMINARY NOTE

Alqueva was designed and implemented with the main objective of contributing to the development of the Alentejo region, ensuring sustained growth through the Alqueva Multipurpose Alqueva Development (EFMA), which constitutes a structuring instrument, mobilising a diversified set of activities, from which the conditions for reversing the existing regional status are created.

The Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A. (EDIA) belongs to the State Business Sector (SEE) and is responsible for the integrated management of EFMA, compensating the environmental and heritage impacts resulting from the construction and operation of the Alqueva infrastructure, promoting and enhancing the positive socio-economic impacts that enable balanced regional development, thus contributing to the success of the national economy.

Currently, all the infrastructures of the 1st phase are in operation, having concluded the construction about ten years earlier than initially planned.

Currently, Alqueva already equips about 120,000 hectares with irrigation infrastructures, and the second phase is underway for the installation of

about 50,000 hectares, with the goal of reaching a total of 170,000 hectares in the coming years. The expansion of the benefited area, together with the implementation of renewable energy projects (such as the photovoltaic energy production project for self-consumption in order to reduce energy costs), are currently some of the Project's goals.

The year 2021 was marked, similarly to the year 2020, by the pandemic caused by the Coronavirus in Portugal and in the World, by the resulting containment measures, and by its impact on the behaviour and way of working of the various economic agents.

Thus, and due to the extraordinary measures implemented as a response to the epidemiological situation experienced during this period, there were changes in relation to the initially planned schedule for various activities of the Company. Accordingly, and in accordance with its Contingency Plan, the recommendations of the Directorate-General of Health and Decree-Law no. 3-A/2021², of 14 January, the Company decided to close all public access areas, namely the Alqueva Interpretation Centre (CIAL), the Noudar Nature Park (PNN) and the Museu da Luz (Luz Museum).

It was also decided to restrict face-to-face attendance at its headquarters and exploration support buildings, requiring prior appointment and advising its customers to use email and telephone as preferred communication channels. The operational teams of the irrigation perimeters, as well as the customer support teams, also remained available, namely through the contacts indicated in the notices.

During the second quarter of this year, there was a partial and phased lifting of the restrictions imposed by the restrictive measures as part of the Covid-19 fight. However, this lifting was not at the national level, but by risk municipalities, which kept, for example, the municipality of Moura where CIAL is located closed during the last week of April and first week of May. This easing of restrictions allowed, however, some of the planned activities to resume their normality.

It should be remembered that Alqueva is in charge of supplying water for irrigation as well as for strengthening public and industrial supply. Since EDIA has water supply as its main operating activity, the measures taken

1- Covid-19 or SARS-CoV-2: Severe Acute Respiratory Syndrome - Coronavirus 2.
2- Decree-Law No. 3-A/2021: Regulates the state of emergency decreed by the President of the Republic. This decree provides for the execution of the state of emergency until 30 January, in an appropriate manner and in a strictly necessary manner, which presupposes the adoption of measures aimed at containing the transmission of the virus and reducing the spread of the COVID-19 disease pandemic.



were aimed at ensuring the regular operation of the service provided, to ensure the functioning of our company.

Even during this critical phase of the pandemic, EDIA maintained its activity, applying different contingency measures according to its evolution, in order to ensure the regular functioning of essential services, particularly in terms of the operation and maintenance of the EFMA water distribution service. The Company's other investment activities were also maintained, such as the ongoing works of the 2nd Phase of the Development.

With regard to the construction of the infrastructures provided for in the National Irrigation Programme (PNRegadios), work has progressed on the following infrastructures:

- Connection to the Morgavel supply system;
- Viana do Alentejo hydraulic circuit;
- Viana do Alentejo main pipeline and its block;
- Hydraulic circuit and Evora block;

- Hydraulic circuit and Cuba – Odivelas block; and
- Pedrógão pumping station – Right Bank (increasing water supply capacity).

During 2021, work continued on the construction contract for boosting the power of the Álamos pumping station (a legal extension of 60 days has been approved), which is critical to the operation of EDIA, as the source of water for the entire Alqueva system (supplied by the Alqueva reservoir).

Work also continued on the construction contract of the connection to the Morgavél EFMA supply system, which was extended until the beginning of June 2021, as well as the work on the Viana main pipeline. The contract for the supply and installation of the reinforcement of the Pedrógão pumping station – Right Bank also continued.

In the secondary network, construction work continued on the new blocks at Évora, Cuba-Odivelas and Viana do Alentejo, as well as the remodelling work on the Laje pumping station (1st Phase intervention).

On 29 January, EDIA and the Intermunicipal Community of Baixo Alentejo (CIMBAL) presented the project “Viver o clima no Baixo Alentejo”³ (“Living the climate in Baixo Alentejo”), following the work that has been developed by EDIA within the scope of the dissemination of good agricultural practices and the compatibility of agriculture with the natural values present in the region. The presentation session was held by teleconference through the Zoom platform and was broadcast live on the CIMBAL Facebook page.

On 12 March, the public webinar event on the theme “Good Agricultural Practices for the Management of Functional Biodiversity and Ecosystem Services” was held on the Teams platform and broadcast live on EDIA's Youtube channel. With this initiative, EDIA reaffirmed its commitment to promoting the Alqueva area as a sustainable region, supporting farmers and disseminating good practices associated with agricultural activity.

The closing session of this event was attended by the Minister of Agriculture, Maria do Céu Antunes, following the preparation and publication of the “Guia de Boas Práticas Agroambientais” (“Guide of Good Agro-environmental Practices”) , prepared by EDIA, as the entity promoting and managing the EFMA hydro-agricultural facilities, in partnership with the Direção Geral de Agricultura e Desenvolvimento Rural (Directorate General for Agriculture and Rural Development) (DGADR).

On the other hand, the PNN, a property managed by EDIA, was awarded the Gestão Florestal Sustentável (Sustainable Forest Management)

certificate, allowing it, from now on, to use the “PEFC” (Programme for the Endorsement of Forest Certification) label and seal , on all its products. By joining this certification, EDIA, through PNN, similarly to the Forest Stewardship Council (FSC) certification, which it already holds, assumes the commitment, and shares the common Vision for an “effective management of the Portuguese Forest based on the pillars of environmental, economic and social sustainability that promotes the recognition of the role of forests and forest-based products in the sustainable development of society”.

From an organisational point of view, the first quarter was also marked by the entry into production, on 18 March of a new document management software and intranet at EDIA.

Also, to be identified is the availability on the Company's institutional website of the “Anuário Agrícola de Alqueva” (“Alqueva Agricultural Yearbook”) and the “Relatório de Campanha de Rega de Alqueva de 2020” (“2020 Alqueva Irrigation Campaign Report”).

During the month of May, the REUSE – Phase II project II started, to promote the production and use of reuse water (ApR – Water for Reuse) in agricultural activity, aiming to test the ApR production system using solar disinfection (action 1). The pilot project was installed in the Beja Wastewater Treatment Plant (WWTP). In this phase, the aim is to obtain more data to deepen and support the conclusions drawn during the first phase.

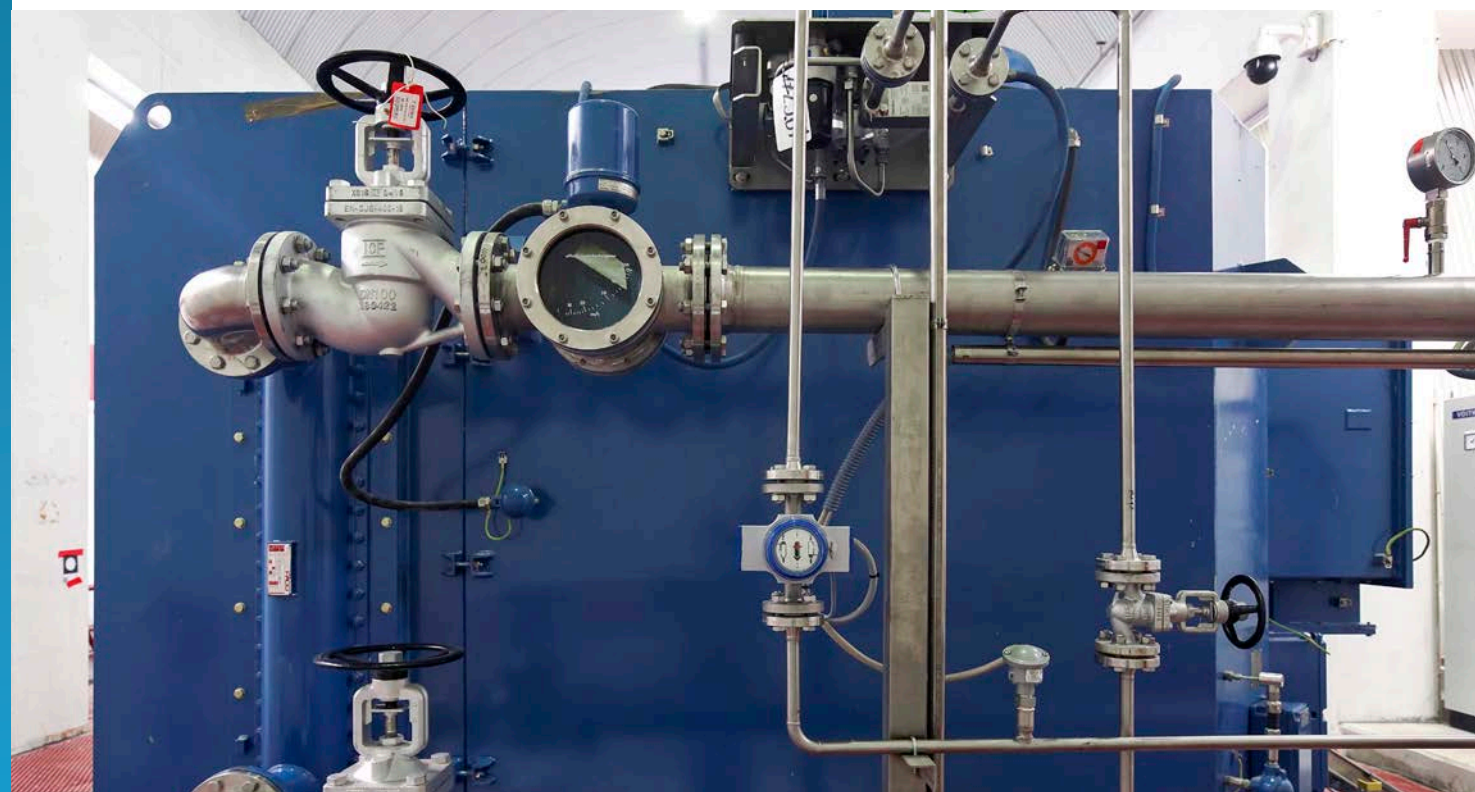
3- The partnership between the two entities for the development and implementation of this project aims to implement concrete measures in the 8 municipalities (Aljustrel, Alvitto, Beja, Cuba, Ferreira do Alentejo, Moura, Serpa and Vidigueira) that simultaneously integrate CIMBAL and fall within the EFMA area of influence

4- In addition to the presentation of the Guide publication, the event provided an opportunity to analyse and discuss design and implementation options for fundamental aspects of agricultural planning and management in order to improve ecological functionality, from soil to landscape, and thus ensure a more sustainable agroecological transition of the various production models.

5-PEFC Portugal is a non-governmental, non-profit association, of private initiative, whose main objective is to promote Sustainable Forest Management and its verification within the reference framework of the Programme for the Endorsement of Forest Certification (PEFC).

6-REUSE aims at the development of a joint experimental project for the use of treated wastewater in irrigated agriculture, having as other consortium partners ADP-Águas de Portugal, COTR, EFACEC, ISA and Águas do Alentejo. It was financed by the Environmental Fund, having been concluded at the end of 2020.

-It aims to study the effect of dilution, autodepuration and natural decay on the final water quality of the aquatic receiving media after the discharge of untreated urban effluent (Action 2). The study area was the Odivelas stream, in the influence zone of the Alvitto WWTP discharge.



During the second quarter, the “National Irrigation Prioritisation Study for the period 2020–2030”, defined by Ministerial Order, also took place. Within the scope of this study, all actions regarding the development of public irrigation in the Country (new irrigation, conservation, and modernisation) had to be listed, characterised, and classified, so that the political decision maker could take decisions regarding their prioritisation.

The “2020 Irrigation Campaign Report” was also carried out, having EDIA’s stakeholders as its main recipients. This report presents a set of indicators that reflect the sustainability of the agricultural component.

In terms of exhibitions, the participation in Ovibeja/2021 stands out, this year with a virtual stand. On the other hand, EDIA participated with an in-person and virtual stand at the National Agriculture Fair in Santarém, held between 9 and 13 June, and at the “AgroIn” event, also with an in-person stand, on 30 June.

Also noteworthy is the participation, with a stand in person, at Agroglobal, in Valada do Ribatejo, Santarém, held between 7 and 9 September. This event also featured a *Live-Streaming* round table, broadcast live on EDIA’s social networks.

During the month of October, EDIA promoted the production of an educational film on best agro-environmental practices under the project CERNE – Consolidating Understanding between Irrigation and Nature in EFMA. This project, led by EDIA in partnership with DGADR, is funded by the “Protecting Earth Life” Programme of the Environmental Fund.

It is also worth highlighting the production, assembly, and dissemination of the exhibition “20 years of Art from a Different Perspective”, marking 20 years of the already traditional exhibition of paintings by users of the Centro de Apoio Ocupacional do Centro de Paralisia Cerebral de Beja (Occupational Support Centre of the Cerebral Palsy Centre of Beja). 25 works were exhibited and deserved a report on RTP. The exhibition opened on 3 December, World Day of Persons with Disabilities.

On 10 December the Minister of Agriculture visited the Évora block, and the event was broadcast live on social networks.

On 14 December the workshop “Água para Reutilização (ApR) na Rega – Desafios e Oportunidades” (“Water for Reuse (ApR) in Irrigation – Challenges and Opportunities”) took place in the EDIA Auditorium, promoted under the REUSE – Phase II project, which aims to promote the production and use of water for reuse in irrigation in the Alentejo.

At the end of 2021, reference should be made to the signature, on 13 December 2021, of the Addendum to the Concession Agreement regarding the use of water resources for capturing water for irrigation and the production of electricity in the primary system of EFMA, which aims to integrate in the Concession Agreement, on the use of water resources for abstraction of water for irrigation and production of electricity in the primary system of EFMA, entered into on 17 October 2007, the new infrastructures built or to be built, associated with the use of the public waterways domain, under the

terms set out in no. 3 of Clause 6 of the Concession Agreement. No. 3 of Clause 6 of the Agreement and which will be incorporated into the primary system of the Development.

With this Addendum to the primary network concession contract, the Alvito dam was formally integrated within EFMA.

Also noteworthy, at the end of the year, was the entry into production of two of the irrigation blocks infrastructured under the PNRegadios: Cuba-Odivelas block and Évora block. The provisional acceptance of these works took place on 11 and 14 October, respectively.

Regarding the analysis of the membership and water consumption values in the EFMA perimeters on 31 December 2020 and 31 December 2021, there was an increase in membership of about 4.8% (7,926 ha), with the area registered at the end of the year being 108,158 ha. Water consumption at the end of 2021 stood at 316,101,263 m³, slightly higher than in the same period of the previous year.



Considering not only the Alqueva perimeters, but also supplies to existing reservoirs and direct abstractions, the total volume of water distributed during 2021 was 369.88 hm³, which, compared with the previous year, shows a decrease of 25.03 hm³, i.e., around 6.34%.

The variation in the useful volume of the Alqueva reservoir, between 1 January and 31 December 2021, recorded an increase of 521 hm³. During this period, the global volume of water distributed (369.88 hm³) represents around 59.66% of the volume of water allocated to priority uses defined in the concession contract (620 hm³), and 21.3% of the useful volume of the Alqueva reservoir at the end of 2021 (2,255 hm³).

EDIA currently has 179 employees in its staff, with a level of higher education adapted to the work activity. EDIA's employees are mostly from the region and are divided by the company's technical areas, such as engineering, economics, management, law, biology, environment, archaeology, among others.

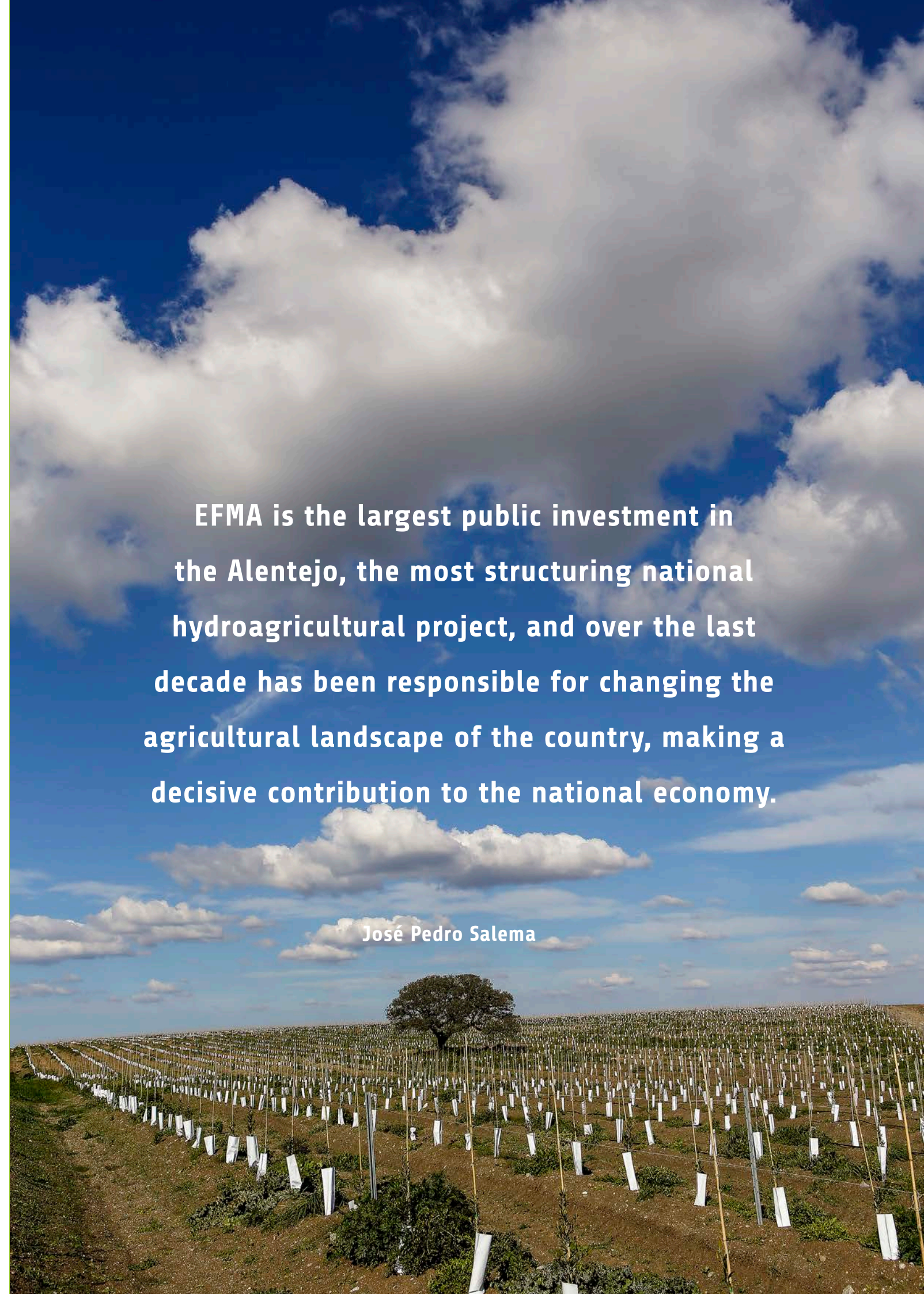
On 31 December 2021, the Share Capital of the Company, fully subscribed and paid up, amounts to EUR 913,158,750 (made up of 182,631,750 shares), 100% owned by the Portuguese State, through the DGTF (Directorate-General for the Treasury and Finance). The variation occurred in 2021 (EUR 52,823,790 and 10,564,758 new shares) results from the following share issues:

- **March 4** – Issue of 8,128,941 new shares, with a nominal value of EUR 5 each, paid up in cash. The amount subscribed and paid up was EUR 40,644,705, broken down as follows:
 - ◊ EUR 30,644,490 – Financial Needs; and
 - ◊ EUR 10,000,215 – Investment PNRegadios
- **8 June** – Issue of 900,000 new shares, with a nominal value of EUR 5 each, paid up in cash. The amount subscribed and paid up was EUR 4,500,000, with the following breakdown:
 - ◊ EUR 4,500,000 – Investment PNRegadios.
- **9 August** – Issue of 1,535,817 new shares, with a nominal value of EUR 5 each, paid up in cash. The amount subscribed and paid up was EUR 7,679,085, with the following breakdown:
 - ◊ EUR 4,178,085 – Financial Needs; and
 - ◊ EUR 3,501,000 – Investment PNRegadios.

The total investment made during the year 2021, not including the capitalisation of structure and financial charges, reached the amount of EUR 27,912,50 thousand, bringing the total investment in EFMA from 1995 to the end of 2021 to EUR 2,428,852.65 thousand.

EFMA is the largest public investment in the Alentejo, the most structuring national hydroagricultural project, and over the last decade has been responsible for changing the agricultural landscape of the country, making a decisive contribution to the national economy.

José Pedro Salema



CHAPTER 1 - FINANCIAL STATEMENT PRESENTATION OF EDIA

THE ALQUEVA DEVELOPMENT AND INFRASTRUCTURE COMPANY (EDIA)

Created in 1995, EDIA, a public limited company with exclusively public capital, belonging to the SEE, is under the sectorial supervision of the Ministry of Agriculture and financial supervision of the Ministry of Finance.

EDIA has carried out all its activity, on national territory, in 20 municipalities in the districts of Beja, Évora, Portalegre and Setúbal, and its mission is to design, implement, build, operate and promote EFMA, which includes the largest irrigated area in the country.

EFMA covers an area of influence of 10,000 km², and the large size, scope and modernity of the hydraulic infrastructure implemented allows, in addition to the unavoidable hydro agricultural benefits, hydroelectric production in a reversible system that enables total complementarity with other renewable energies such as photovoltaic and wind power, public and industrial supply, regularisation and correction of torrentials, preservation and enhancement of the environment and heritage, and land use planning.

With its headquarters in Beja, EDIA's main vision is a strategic orientation based on the priority axes for the development of the Development, which is based on the "Water" resource and on the profitability of the infrastructure investments made, aiming at the success of the Alqueva Project, through the Regional Development of its area of intervention.

EDIA has contributed significantly to the development of regional and national agriculture, as EFMA Management Company, with an effort in the construction of the necessary infrastructure to irrigate the 170,000 hectares planned (120,000 hectares of the first phase, already completed, and 50,000 hectares of new areas planned in the expansion of EFMA). It is positioned as a strategic reference of unavoidable relevance, to the extent that it has been directly promoting the reduction of agri-food dependence and the increase of exports.

CHARACTERISATION OF THE MAIN INFRASTRUCTURES

EFMA is composed of the following infrastructures:

Alqueva Hydroelectric Plant

The Alqueva hydroelectric exploitation consists of:

- **Alqueva Dam;**
- **Alqueva reservoir; and**
- **Alqueva hydroelectric power station.**

The **Barragem de Alqueva** (Alqueva Dam) is located in Alentejo, near the village that gave it its name, and was built on the Guadiana River. It stores the largest strategic reserve of water in Portugal, creating the largest artificial lake in Europe. The dam is of the double-curvature vaulted concrete type, with a height of 96 m and a crest 458 m long. It is EFMA's "Mãe d'Água" ("Mother of Water"), with its storage capacity guaranteeing all the project's features during at least three consecutive years of drought, namely public supply, with the reinforcement of the reservoirs that are part of the system and which supply around 200 thousand people; agriculture, for an equipped area of 120 thousand hectares of irrigated land; and the production of hydroelectric energy, with the capacity to supply a city of 500 thousand inhabitants. The dam's floodgates were closed on 8 February 2002, and the maximum quota was reached on 12 January 2010.

The **Alqueva reservoir** extends 83 km along the counties of Moura, Portel, Mourão, Reguengos de Monsaraz and Alandroal, occupying an area of 250 km² and 1,160 km of banks. With a maximum capacity

of 4,150 hm³ and a useful capacity of 3,150 hm³, its full storage level (NPA) is at quota 152 m and its minimum operating level is at quota 130 m.

The **Alqueva Hydroelectric Power Station** is of the dam-foot type with an installed capacity – 520 MW (Alqueva I and II – 2 x 260MW).



Foto: Barragem de Pedrogão

Pedrógão Hydroelectric Plant

The Pedrógão hydroelectric exploitation consists of:

- Pedrógão Dam;
- Pedrógão reservoir; and
- Pedrógão hydroelectric power station..

The Pedrógão Dam is of the gravity type, with a height of 43 m and a crest 448 m long. It is located 23 km downstream of Alqueva and acts as a counter-dam to the Alqueva dam. In this way, the Alqueva hydroelectric power station can operate in a reversible manner by recovering the flows used, thus making it possible to reuse the same water for energy production.

The Pedrógão reservoir has a total storage capacity of 106 hm³ and a useful capacity of 54 hm³. The reservoir is 23 km long, with 118 km of banks and a water mirror with a surface area of 11 km². Its NPA is at an elevation of 84.8 m.

The Pedrógão dam is equipped with a hydroelectric power station of the foot-of-dam type with an installed capacity of 10 MW.

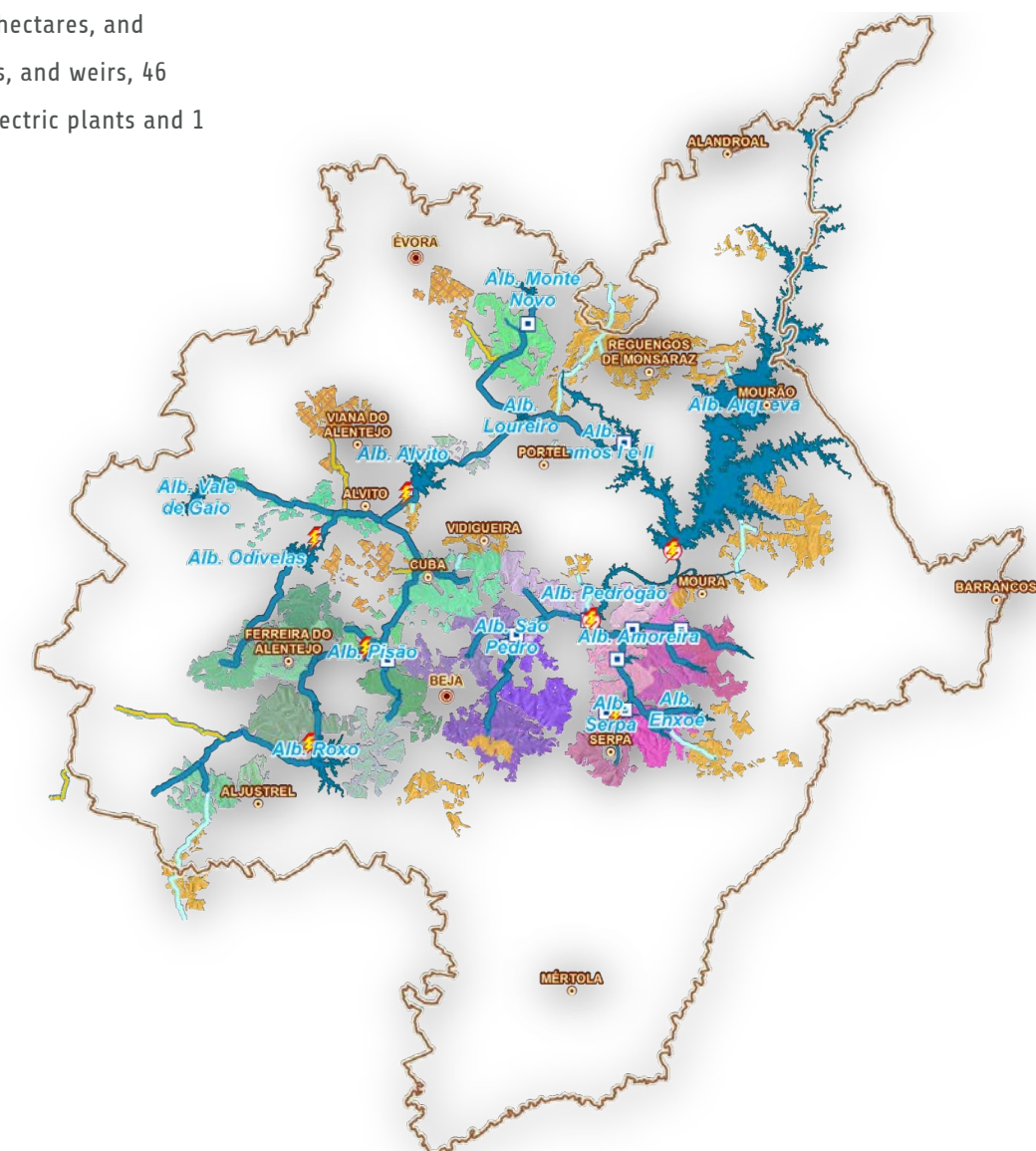
This system is divided into three subsystems, according to the different water sources:

- Alqueva subsystem;
- Ardila subsystem and
- Pedrógão subsystem..




Next to the new Aldeia da Luz, an irrigated area of 593 ha was also equipped, with a direct supply from the Alqueva reservoir.

Alqueva Global Water Supply System




The Alqueva Global Water Supply System benefits an area of around 120 thousand hectares, and is made up of 70 dams, reservoirs, and weirs, 46 pumping stations, 5 mini hydroelectric plants and 1 photovoltaic plant.








Caption
Plants and Pumping Stations of the Primary Network (EFMA)


 Hydroelectric Plant
 Mini Hydro Station
 Pumping Station

EFMA Irrigated Land **Main Network (2nd Phase)** **Irrigated Land (2nd Phase)**

 Alqueva  Reservoir  Projected

 Ardila **Supply System**  Under Construction

 Pedrógão  Under Construction  EFMA intervention area

 Projected

Map 1: EFMA – 1st and 2nd Phase

ALQUEVA GLOBAL WATER SUPPLY SYSTEM

	1st Network		2nd Network		Total		Total
	1st Phase	2nd Phase*	1st Phase	2nd Phase*	1st Phase	2nd Phase*	
Subsystems – Alqueva, Ardila and Pedrógão	3				3		3
Small Hydroelectric Plants	5	-	-	-	5	-	5
Regulation Structures	27	-	-	-	27	-	27
Main and Secondary Pumping Stations	13	-	33	1	46	1	47
Dams / Reservoirs / Primary and Secondary Weirs	46	1	24	-	70	1	71
Km of Channels	126,3	-	0,4	-	127	-	127
Km of Pipelines	224,7	12,5	1 591,8	49,1	1 817	62	1 878
Km of Tunnel, Siphons and Cut-and-Cover	35	-	-	-	35	-	35
Km of Access Roads and Services	365,8	-	580,9	0,5	946,7	0,5	947,3
Km of Drainage Ditches	-	-	460,5	-	460,5	0,0	460,5
Retention Basins	11	-	-	-	11	-	11
Water Intakes	82	3	21	-	103	3	106
Floodgates	139	3	6	-	145	3	148
Bottom Discharge	359	12	3 371	72	3 730	84	3 814
Hydrants	18	6	3 715	41	3 733	47	3 780
Irrigation Hydrants	-	-	7 535	95	7 535	95	7 630
Sectioning Valves	155	6	1 168	18	1 323	24	1 347
Ventilation Valves	380	23	3 533	86	3 913	109	4 022
Irrigated/Equipped Area (thousand ha)	-	-	117,5	5,8	117,5	5,8	123,2

*Only Concluded Network (Viana and Évora)

Table 1: Alqueva Global Supply System

Alqueva Subsystem

The Alqueva subsystem has its water source in the Alqueva reservoir. It develops from the Álamos pumping station, being the largest of the three subsystems. It covers an area of around 64,000 hectares, benefiting areas west of Beja and in central Alentejo.

This pumping station enables water to be raised to a height of 90 m, through a forced pipe 850 m long and 3.2 m in diameter, to the Álamos reservoirs, guaranteeing the distribution of water to the entire Alqueva subsystem, benefiting areas to the west of Beja and the centre of Alentejo.

Through the Álamos canal, which is approximately 11 km long, the water is transported to the Loureiro dam, from where the 24 km long Loureiro-Monte Novo canal flows to the Monte Novo dam. To the south, from the Loureiro dam, develops the Loureiro-Alvito tunnel, 11 km long, which guarantees the supply to the Alvito dam.

From the Alvito dam follows the Alvito – Pisão canal, which makes the connection to the Pisão dam, followed by the Pisão – Roxo canal to the Roxo dam. From the by-pass of the Alvito-Pisão canal, connections to the Odivelas and Vale de Gaio reservoirs have been built.

From Roxo, there is the Roxo-Sado connection, which supplies the Morgavél connection, which supplies the Sines Industrial Complex.

In the area surrounding these canals are the perimeters of Monte Novo, Loureiro-Alvito, Alvito-Pisão, Pisão, Ferreira, Figueirinha and Valbom, Alfundão, Cinco Reis-Trindade, Ervidel, Pisão-Beja, Vale de Gaio and Roxo-Sado. Between the canals or conduits of the primary network and the reservoirs, the Alvito, Odivelas, Pisão and Roxo mini hydroelectric plants were built, with a total of 7 MW of installed power, optimising, whenever economically viable, the entire system with gains in energy efficiency.

With the start-up of the second phase of construction of EFMA new areas and hydraulic circuits were initiated. The connection of the system to Morgavél and the hydraulic circuits of Évora, Cuba-Odivelas and Viana do Alentejo are essentially already concluded.

Ardila subsystem

The Ardila subsystem has its water source in the Pedrógão reservoir and benefits an area of about 30,000 hectares on the left bank of the Guadiana River, in the municipalities of Moura and Serpa. It comprises the perimeters of Orada-amoreira, Brinches, Brinches-Enxoé, Serpa, Pias, Caliços-Machados and Caliços-Moura (Moura Gravitic and Alvarrão).

It consists of a set of 15 dams or reservoirs, and extends over 54 km of primary network, pipes in the secondary network, 13 pumping stations, 1 hydroelectric power station (Pedrógão) and 1 mini hydroelectric power station (Serpa).

As part of the 2nd EFMA infrastructure phase, the S. Bento area and its hydraulic circuit will be built.

Pedrógão Subsystem

The Pedrógão subsystem begins at the Pedrógão – Margem Direita pumping station (Pedrógão reservoir) and comprises a total of 11 dams or reservoirs, 8 pumping stations, over 40 km of primary network extension and mains connections, in the region east of Beja, on the right bank of the River Guadiana.

This subsystem covers an area of approximately 24,500 hectares. It comprises the irrigation blocks of Pedrógão, São Matias, São Pedro-Baleizão, Baleizão-Quintos.

As part of the 2nd EFMA infrastructure phase, the construction of the Cabeça Gorda- Trindade and Marmelar hydraulic circuits and blocks is planned.

MAIN EDIA LEGAL INSTRUMENTS

EDIA's main legal and management instruments are summarised below:

Decree-Law No. 32/95 (February 11)

Within the scope of its creation by Decree-Law No 32/95 of 11 February 1995, EDIA was given ownership of the rights and obligations that previously belonged to the respective Installation Committee. Through its corporate object, EDIA was entrusted with the responsibility of designing, implementing, building, and operating EFMA and promoting the economic and social development of its area of intervention.

Decree-Law No. 42/2007 (February 22)

Decree-Law No 42/2007 of 22 February 2007 defines the legal regime applicable to the management, operation, maintenance, and conservation of infrastructures that integrate EFMA. By modifying EDIA's statutes, this legislation, which arises following the entry into operation of some infrastructures of the Development, revokes Decree Laws no. 32/95, of 11 February, no. 33/95, of 11 February and no. 335/2001, of 24 December, embodying the corporate purpose of the Company in four fundamental axes:

- a. Use of the public waterways domain allocated to the Development for the purposes of irrigation and hydroelectric exploitation (concession contract signed under the terms of Law 58/2005 of 29 December);
- b. Design, implementation, and construction of the infrastructures integrating the

primary system of the Development, as well as their management, operation, maintenance, and conservation;

- c. Design, implementation, and construction of the infrastructures that comprise the secondary network assigned to the Development, on behalf of the State and in accordance with the instructions given by the Minister of Agriculture; and
- d. Promotion, development, and pursuance of other economic activities which contribute to the improvement of the conditions of use of the resources assigned to the Development.

Decree-Law No. 313/2007 (17 September) and Public Domain Concession Agreement (17 October 2017)

The bases of the concession contract between EDIA and the Portuguese State regarding the use of the public waterways domain allocated to EFMA for irrigation and hydroelectric operation purposes were approved. In the concession contract, signed on 17 October 2017, EDIA was awarded the concession for the management and operation of the Development and exclusive ownership of the rights of private use of the public waterways domain allocated to EFMA for the purposes of irrigation and hydroelectric operation for a period of 75 years.

Administering the public waterways domain allocated to EFMA within the scope of its activity; granting titles regarding water abstraction for irrigation and power generation; and supervising

its use by third parties, instituting, instructing, and sanctioning administrative offence proceedings within this scope, became EDIA's powers and competences within this legal framework.

Signed on 13 December 2021 by the supervisor, the addendum to the concession contract includes the new infrastructures built or to be completed, associated with the use of the public waterways domain, under the terms of no. 3 of Clause 6 of the contract, which will now form part of the primary system of the development.

Agreement on Alqueva and Pedrógão Hydroelectric Power Plants (25 October 2007)

The contract for the operation of the Alqueva and Pedrógão hydroelectric plants and the sub-concession of the public waterways domain (for a period of 35 years) was formalised with EDP on 25 October 2007. This document stipulated the terms for the operation of the hydroelectric component of the infrastructures that integrate EFMA's primary system, and the sub-concession of the rights of private use of the associated public waterways domain (for the purposes of electricity generation and the implementation of electricity generation infrastructures).

Decree-Law No. 36/2010 (April 16)

Decree Law no. 36/2010 of 16 April has amended Decree Law no. 42/2007 of 22 February. The legal framework of the Development in light of the new legal framework for the management and use of water resources contained in the Water Law, the system for the use of water resources (Decree-Law no. 226-A/2007 of 31 May) and the economic and financial system for water resources (Decree-Law no. 97/2008 of 11 June), was one of the purposes sought with the establishment of a differentiated

and more flexible tariff, following the entry into operation of the first perimeters of EFMA. The legislation published also aimed to clarify the contextualisation of the economic and financial environment in order to optimise the management of resources and ensure the future economic sustainability of EDIA and EFMA.

Concession Agreement Concerning the Management, Operation, Maintenance and Conservation of the EFMA Secondary Network Infrastructure (April 08, 2013)

Conclusion, on 08 April 2013, of the concession contract for the management, operation, maintenance, and conservation of the EFMA secondary network infrastructures, with the Directorate General for Agriculture and Rural Development (DGADR) and the Ministry of Agriculture, Sea, Environment and Spatial Planning (MAMAOT).

Order No. 3025/2017 (April 11)

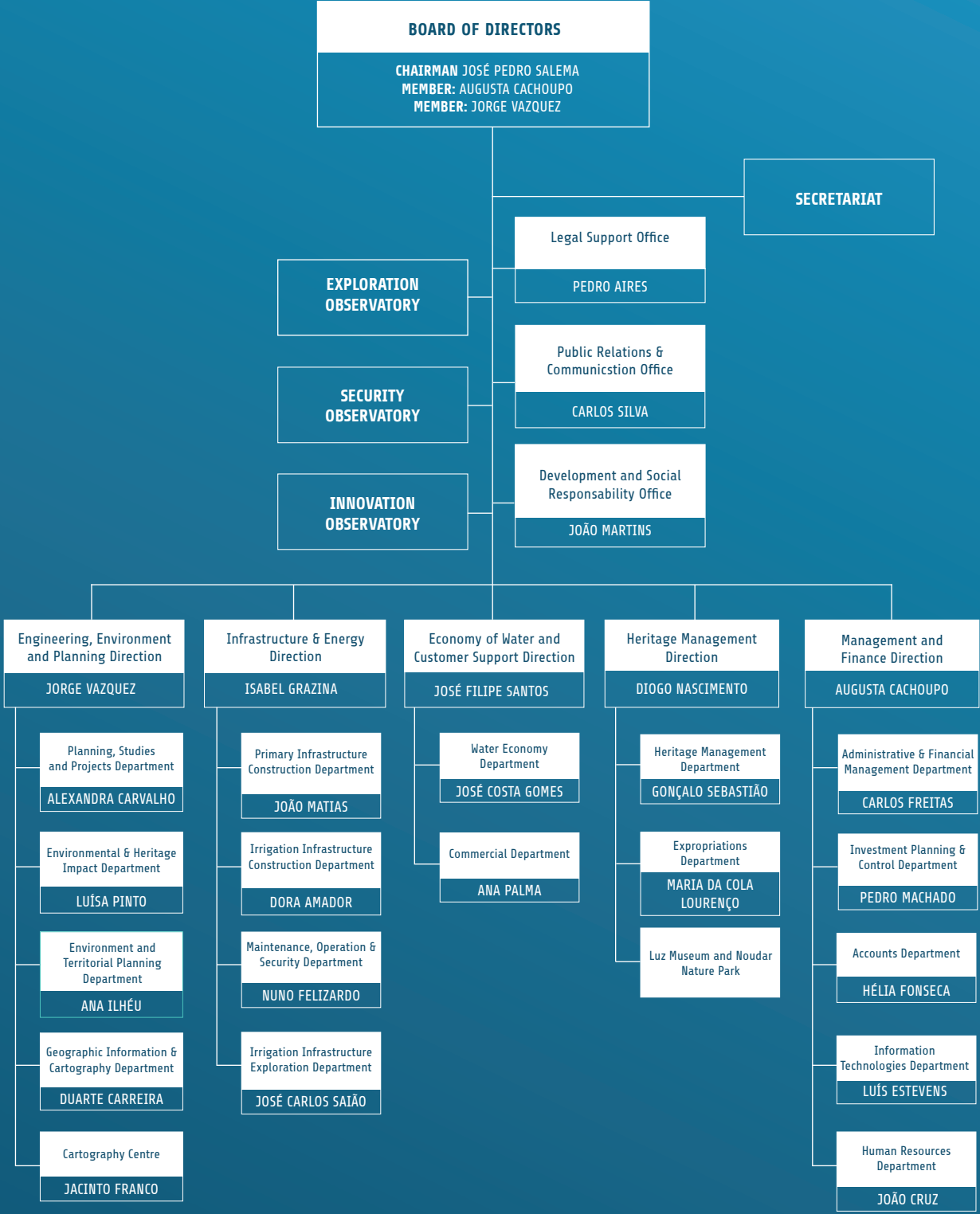
Establishes the current tariff system for Alqueva, which, in addition to other aspects, defines the specific values for operation and conservation fees, and incorporates a price reduction at the end of the primary network with the resulting repercussions on the other tariffs, changing the discount system defined in 2010 and defining the tariff system for the situation of precarious irrigators and for direct abstraction. This order also established the value of water tariffs for uses other than irrigation for agricultural use. With regard to the discount system, the new version considers that these will be in force 3 years after the perimeters come into operation, as follows (% water tariff payable by consumers) Year 1 (40%); Year 2 (60%); Year 3 (80%); Year 4 (100%).

CHRONOLOGY OF THE ALQUEVA MULTI-PURPOSE VENTURE

2021	Conclusion of the 1st projects of the 2nd phase of EFMA (Cuba-Odivelas and Évora)
	1st addendum to the Public Hydric Domain Concession Contract (2007)
2020	Celebration of EDIA's 25th anniversary
	Start of EFMA widening works
2019	Publication of the 1st PNRegadios application notice, on 29 April 2019, approved by the Portuguese State and financed through the EIB and the CEB
	Contracting of the loan with the CEB to finance the Alqueva Photovoltaic Project
2018	Signing of the contracts between the Portuguese State and the EIB and CEB to finance the PNRegadios
	Publication of the Council of Ministers Resolution no. 133/2018, dated 12 October, which approves the PNRegadios – 2nd Phase of EFMA
2017	Beginning of the prior procedures for the infrastructure of the 2nd phase of EFMA with the construction of over 50 thousand hectares of new irrigated land
	Conclusion of the 1st phase of the Alqueva Development
2016	Expression of Interest at the European Investment Bank within the scope of the Juncker Plan to finance the PNRegadios
2015	Commemoration of EDIA's 20th anniversary, with the exhibition “Alqueva: 20 years of work, 200 millennia of history”, in the Torre Oca of the Jerónimos Monastery
2014	Signing of the last construction contracts for the 1st Phase of the EFMA’s Global Water Supply System
	Presentation of the “Alqueva” brand
2013	Signing of the concession contract for the management, operation, maintenance and conservation of the secondary network infrastructure of EFMA
2010	The maximum level of the Alqueva dam’s reservoir (152.00 m) was reached on 12 January
	Conclusion of the connection of Alqueva to all the public supply reservoirs in the EFMA area
2009	Start of the process of transferring water to the Alvito reservoir
2008	Start of the process of transferring water to the Monte-Novu reservoir
2007	Public hydric domain concession contract
	Contract for the operation of the Alqueva and Pedrógão hydroelectric power plants awarded to EDP
2006	Inauguration of the Pedrógão hydroelectric power plant
	“Puente de Alcântara” international award
2004	Start of water supply for irrigation, by Infrastructure 12
2003	Start of power production at the Alqueva power station, in a trial period
2002	Closure of the Alqueva floodgates
1998	Start of concreting at the Alqueva dam
1995	Creation of EDIA, S.A.
1993	The resumption of work is decided
1978	Interruption of works
1976	Start of preliminary works
1957	Alentejo Irrigation Plan



ORGANISATIONAL STRUCTURE



HUMAN RESOURCES

During the period under analysis, the Company’s main challenges were to promote performance excellence and the achievement of its objectives, in a context of rigour and cost containment, bearing in mind the Government guidelines applicable to public companies.

During 2021, EDIA complied with Order No. 4146-A/2020⁷, of 03 April (regulations specifically applicable to EDIA/EFMA), issued by the Office of the Minister of Agriculture, which, in its paragraph 4, sets out the following guidelines for EDIA, during the context of the pandemic:

“4 – In order to ensure the continuity and uninterruptedness of the provision of public water supply services for the exercise of agricultural activity, the Empresa de Desenvolvimento e Infraestruturas do Alqueva, S. A., must continue to guarantee the following essential activities:

- a. Management and operation of the supply systems, ensuring the functioning of the supply and distribution networks, as well as all the equipment and infrastructure;
- b. (b) the immediate assessment and reporting of disturbances in the exercise of the activities provided for in the preceding subparagraph.”

As EDIA is responsible for supplying water for irrigation, as well as for strengthening public and industrial supply, these guidelines aimed to ensure and guarantee the regular operation

of this essential service for the functioning of our company. Despite this context, the Company thus continued to guarantee the supply of water to its customers as well as the support it has been providing, making Alqueva the example of solidarity-based agriculture.

In this context, the Company took several measures, of which the following are highlighted:

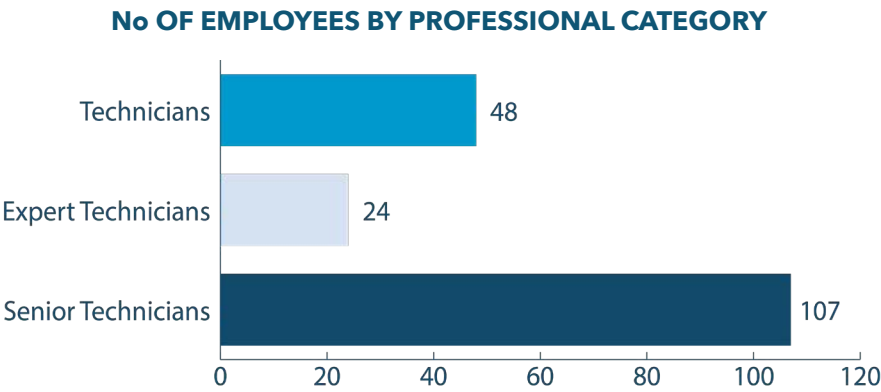
- Drawing up and approval of a Specific Contingency Plan;
- Acquisition of hygiene and protection products, namely alcohol gel, masks, visors, among others;
- In cases where the nature of the functions allows it, employees have been placed on teleworking;
- Reduction in the number of employees to 1 in each room/office, with weekly rotation; and
- Customer service is now provided by telephone and/or e-mail.

Measures to protect against the pandemic were reinforced, in compliance with the Specific Contingency Plan approved in March 2020, as well as the guidelines issued by the Directorate General of Health (DGS).

During 2021, and as a way of promoting the recognition and valuing of its human resources, EDIA continued to invest in the training of its employees, in order to raise the level of technical, relational and social skills of the same, to the benefit of both themselves and the Company.

7- Order No. 4146-A/2020 – Establishes the essential services and necessary measures to guarantee normal conditions of production, transport, distribution and supply of agricultural and livestock goods and services, and those essential to the agri-food chain, within the scope of the powers of the bodies and services of the Ministry of Agriculture.

On 31 December 2021, EDIA had 179 employees on its staff (among permanent and fixed-term contract employees), distributed by the different categories as shown in the graph below.



Graph 1: Employees by category - EDIA

Given the small size of EDIA's staff in relation to its responsibilities and the current size of the project for which it is responsible, balance has only been achieved through a strong commitment of human resources and the introduction of the

concepts of flexibility and versatility (which has allowed the gradual conversion of employees from the construction to the operation areas, and the transfer of employees between departments according to the specific needs of the Company).

GOVERNING BODIES

EDIA's governing bodies were appointed for the 2018-2020 triennium at the General Assembly held in 2018.

General Assembly
President
Dr. Henrique António de Oliveira Troncho
Secretaries
Dr. Ana Luísa Louro da Graça Peixito Soares
Engineer José António Sequeira Brito Ramos ⁸
Board of Directors
President
Eng. José Pedro Mendes Barbosa da Costa Salema
Members
Dr. Augusta Manuel Pereira de Jesus Cachoupo
Eng. Jorge Manuel Vazquez Gonzalez
Fiscal Council
President
Dr. Sara Alexandra Pereira Simões Duarte Ambrósio
Members
Dr. Nelson Manuel Costa dos Santos
Alternate Member
Dr. Cristina Maria Pereira Mascarenhas Vieira Sampaio
Statutory Auditor
RCA – Rosa, Correia e Associados, SROC, S.A., represented by Dr. Paulo Fernando da Silva Pereira

⁸ - Eng. José António Brito Ramos resigned from office on 9 November 2021.

CHAPTER 1 - FINANCIAL STATEMENT FRAMEWORK

EFMA has its direct area of influence in the Alentejo region, spread over 20 municipalities and 4 districts. It is a structuring project, mobilising a diversified set of activities, sustaining an integrated development process in a very vast region with great asymmetries.

The Alentejo corresponds to about 1/3 of the territory of mainland Portugal. It is a region with low population density, but with a high agricultural potential.

The lack of water in this region was one of the main constraints on its development, preventing the modernisation of agriculture and the sustainability of public supply. To solve the water problems the region suffered, the largest artificial lake in Europe was created, the Alqueva reservoir, whose main objective is to ensure a water reserve that ensures water availability for various purposes: public and industrial supply, irrigation, energy production, etc.

In 2021, the economic activity, in Portugal and in the rest of the world, was deeply affected by the pandemic COVID-19, by the containment measures and the impact on the behaviour of economic

agents. Economic losses were differentiated across countries and sectors of activity. The policy response – monetary, fiscal, and prudential – was unprecedented in magnitude, speed and coordination and was decisive in mitigating the damage of the crisis.

In this context, a framework of the main economic indicators, analyses, and projections, issued in the Economic Bulletin (December 2021) of the Banco de Portugal, is presented. The economic outlook remains surrounded by a high level of uncertainty, being dependent on the evolution of the disease and the speed of large-scale vaccination.

It should be noted, however, that the current war situation in Ukraine will have a significant impact in economic terms at world level, since, according to the International Monetary Fund (IMF), and in addition to the armed conflict itself, the sanctions imposed on Russia and its partners “will also have a substantial impact on the global economy and financial markets, with spill-over effects for other countries”.

The start of the conflict in Ukraine on 24 February 2022 is therefore unequivocally a decisive factor,

generating extraordinary uncertainty, which will condition economic developments in the near future.

The IMF also believes that even if the forecasts remain subject to “extraordinary uncertainty”, “the economic consequences are already very serious”, especially for Ukraine, as it will face considerable costs to restart its economy and rebuild destroyed or damaged infrastructure.

It also predicts that “the jump in prices” will have effects worldwide, particularly on low-income households for whom food and energy costs represent a larger proportion” of their budgets.

Global Framework

During 2021 the worsening of the pandemic caused by the Coronavirus⁹ restricted the growth of global activity and trade, and in the winter months, implied a slowdown in economic activity, while the progress achieved in terms of vaccination, and the increase in consumer confidence benefited the recent recovery trend in advanced economies.

With the outbreak of the armed conflict in Ukraine on 24 February, and in the current context of escalation of this conflict, the costs of the current economic crisis, the economic consequences of which at global level are as yet unpredictable, but which are destined to be devastating, it is very unlikely that the estimates made after its

9 - Covid-19 or SARS-CoV-2: Severe Acute Respiratory Syndrome - Coronavirus 2.

outbreak will lead to the data projected before the start of the current crisis.

However, the economic recovery has been conditioned by constraints in terms of the cost of raw materials and transport, the lack of materials or equipment, difficulties in the transport of merchandise, as well as the shortage of supply of intermediate goods, facts that are currently even more acute.

In 2021 there was, on the other hand, an important recovery in services more dependent on personal contact. However, the current rise in energy and commodity prices in general, with oil prices approaching \$120 per barrel, is significantly increasing the inflationary pressure that was already being felt worldwide as the pandemic emerged.

Thus, and according to the hypotheses of the Eurosystem exercise, at the end of 2021, global activity should have grown by 5.9%, while GDP growth in the euro area should be 10.2%.

External demand will have increased by about 8.5%, while the increase in the prices of raw materials will have contributed, as already mentioned, in parallel with the supply constraints of various merchandise and the recovery of the services most affected by the pandemic, to the significant rise in inflation in 2021, especially in the advanced economies.

Internal framework

In 2021, the evolution of national economic activity was also conditioned by the new wave of the pandemic in Europe originated by Covid-19, and in Portugal, with the reintroduction of restrictive measures aimed at its containment, namely at the level of international mobility, along with the increase in uncertainty, as well as the problems that occurred at the level of global supply chains, with repercussions at the level of the scarcity of raw materials, and other merchandise, which resulted in an increase in their costs.

According to the December 2021 Economic Bulletin of Banco de Portugal, the evolution initially forecast in terms of economic growth, would be supported, among other conditioning factors, and in terms of public finance proposals, by a scenario of invariant economic policies, as well as by the maintenance of favourable financial conditions, situations that are now subject to very high levels of uncertainty, in the current context of war in Europe.

Gross domestic product (GDP) was estimated to return to pre-pandemic levels in the first half of 2022, although it might remain below the trend projected before the pandemic occurred at the end of the review period.

Over the projection horizon under review, inflation excluding energy would increase gradually, and is estimated to reach 1.5% in 2024.

It should also be noted that exports were expected to grow by 9.6% in 2021 and 12.7% in 2022, with an average growth of 5.9% projected for 2023-24.

	Weights 2020	BE December 2021					BE October 2021		BE June 2021			
		2020	2021 ^(p)	2022 ^(p)	2023 ^(p)	2024 ^(p)	2020	2021 ^(p)	2020 ^(p)	2021 ^(p)	2022 ^(p)	2023 ^(p)
Gross Domestic Product	100	-8,4	4,8	5,8	3,1	2,0	-8,4	4,8	-7,6	4,8	5,6	2,4
Private Consumption	64,2	-7,1	5,0	4,8	2,2	1,8	-7,1	4,3	-5,9	3,3	4,9	2,3
Public Consumption	19,1	0,4	4,8	1,4	-1,3	-0,1	0,4	5,2	0,4	4,9	0,4	-0,2
Gross Fixed Capital Formation	19,1	-2,7	4,9	7,2	6,6	3,9	-2,7	5,6	-1,9	7,6	8,2	5,8
Domestic Demand	102,1	-5,6	5,1	4,6	2,4	1,9	-5,6	4,9	-4,6	4,5	4,7	2,6
Exports	37	-18,6	9,6	12,7	7,8	3,9	-18,6	9,6	-18,6	14,5	13,1	4,8
Imports	39,1	-12,1	10,3	9,3	6,2	3,6	-12,1	9,7	-12,0	13,2	10,6	5,1
Contribution to GDP growth net of imports (in pp)^(a)												
Domestic demand		-3,0	3,1	2,6	1,2	1,1	-3,0	3,0	-2,3	-2,4	2,5	1,3
Exports of goods		-0,8	1,1	0,2	0,6	0,4	-0,9	1,3	-0,7	1,9	0,3	0,3
Exports of services		-4,6	0,6	3,0	1,2	0,6	-4,5	0,5	-4,5	0,5	2,8	0,8
Employment (number of persons) ^(b)		-1,9	2,5	1,6	0,5	0,3	-1,9	2,6	-1,7	1,3	1,3	0,4
Employment (hours worked) ^(b)		-9,3	8,3	4,0	0,6	0,3	-9,3	8,4	-9,2	5,9	4,1	0,5
Unemployment rate ^(c)		7,0	6,6	6,0	5,7	5,6	7,0	6,8	7,0	7,2	7,1	6,8
Current and Capital Account (% PIB)		0,0	0,2	1,8	2,6	1,8	0,0	1,0	0,1	0,9	2,1	1,8
Goods and Services Account (% PIB)		-1,8	-3,0	-2,1	-1,2	-1,0	-1,8	-2,3	-1,8	-2,1	-1,4	-1,3
Harmonised Consumer Price Index		-0,1	0,9	1,8	1,1	1,3	-0,1	0,9	-0,1	0,7	0,9	1,0
Energy Goods		-5,2	7,8	6,3	-1,3	-0,8	-5,2	6,9	-5,2	5,6	1,0	-1,3
Excluding energy goods		0,3	0,4	1,3	1,4	1,5	0,3	0,4	0,3	0,3	0,9	1,2

Source: Bank of Portugal and INE (Statistics Portugal).

Notes: EB - Economic Bulletin, (p) - projected, pp - percentage points.

For each aggregate, the projection corresponding to the most likely value is presented, conditional on the set of assumptions considered.

(a) Demand aggregates in net import terms are obtained by deducting an estimate of imports needed to satisfy each component.

The calculation of import contents was made on the basis of information for the year 2015.

For details on the methodology, including estimates of imported contents, see Cardoso and Rua (2021).

O real contributo da procura final para o crescimento do PIB, Banco de Portugal, Revista de Estudos Económicos - Vol. 7, N.3.

(b) According to the National Accounts concept.

(c) As a percentage of the labour force.

Note: data prior to the outbreak of the conflict in Ukraine on 24 February 2022

Table 2: National Framework

Economic Projections

Projections for Portugal updated on: 17 December 2021

Projections for Euro area updated on: 16 December 2021

Unit: annual rate of change, in percentage

		2020	2021 ^(p)	2022 ^(p)	2023 ^(p)	2024 ^(p)
Gross Domestic Product	Portugal	-8,4	4,8	5,8	3,1	2
	Euro Area	-6,5	5,1	4,2	2,9	1,6
Harmonised consumer price index	Portugal	-0,1	0,9	1,8	1,1	1,3
	Euro Area	0,3	2,6	3,2	1,8	1,8
Private consumption	Portugal	-7,1	5	4,8	2,2	1,8
	Euro Area	-8	3,3	5,9	2,8	1
Public consumption	Portugal	0,4	4,8	1,4	-1,3	-0,1
	Euro Area	1,2	3,9	0,2	0,5	1,3
Gross fixed capital formation	Portugal	-2,7	4,9	7,2	6,6	3,9
	Euro Area	-7,4	3,7	3,9	4,3	2,4
Exports	Portugal	-18,6	9,6	12,7	7,8	3,9
	Euro Area	-9,5	9,3	6,4	6,4	3,1
Imports	Portugal	-12,1	10,3	9,3	6,2	3,6
	Euro Area	-9,4	7	6,1	6,4	2,9
Employment	Portugal	-1,9	2,5	1,6	0,5	0,3
	Euro Area	-1,5	1,1	1,3	1	0,6
Unemployment rate	Portugal	7	6,6	6	5,7	5,6
	Euro Area	7,9	7,7	7,3	6,9	6,6

Note: (p) projected

Table 3: Projections for Portugal and the Euro Area

CHAPTER 1 - FINANCIAL STATEMENT

ACTIVITIES DEVELOPED IN 2021

INFRASTRUCTURES IN OPERATION (1ST PHASE OF EFMA)

Primary and Secondary Networks

Regarding the observation and behaviour of dams, and in compliance with the provisions of the observation plans of the dams comprising EFMA's primary infrastructures, in 2021, the installed observation equipment was read, and the good behaviour of these various structures and their hydraulic-operational safety equipment continued to be verified.

In the period under review there were several preventive and corrective maintenance interventions in various infrastructures of the primary network.

The preventive maintenance actions carried out on the equipment of Álamos, Amoreira and Pedrógão – Left Bank and Right Bank pumping stations, on the gates and actuators of the various infrastructures of the Loureiro – Monte Novo canal, on the gates of reservoir 2 of the Roxo–Sado hydraulic circuit, on the compressors of Brinches and S. Matias pumping stations, as well as on the filters of the Magra filtration station, are worthy of mention. There were also interventions in groups 2 and 4 of the S. Pedro Pumping Station, the replacement of the lower

servomotor of the grid cleaner of the S3 siphon of the Alvito–Penedrão Canal, the manufacture and installation of external protection of the speed variator fans of the Álamos Pumping Station and the reinstallation of the grids in the S4, S5 and ER12 siphon inlet works of the Pisão–Penedrão Canal.

Also, within the scope of preventive maintenance, during 2021, maintenance work was carried out on the manoeuvring organs of canal regulation structures, pumping stations, hydroelectric plants, and grate cleaners, namely, the lubrication of the bearings of the electric pump groups, the cleaning of the grates of the reservoir water intakes and of the siphon intakes, as well as the cleaning of algae in canal stretches and in debris collection ditches.

Within the scope of the corrective maintenance actions, we highlight the replacement of the compressor and the replacement of the bearings of motor no. 2 of the São Matias and Álamos pumping stations, as well as the replacement of the bushings of the counterweight check valve of group 3 of the Amoreira EE, and the replacement of the conveyor belt rollers of the Water Intake of the Penedrão–Roxo Pipeline, and also the cleaning works of canals and reservoirs of the EFMA primary network.

In addition, the suction and compression pipelines at the Amoreira pumping station and the supply pipeline to the Laje dam were emptied in order to repair the valves at these facilities. In this context, the following were also intervened the Pedrógão – Left Bank Pumping Station, the automation system for the grid cleaner of the derivation structure for the Pisão Hydroelectric Power Plant, the S. Matias Pumping Station, the pumps of groups 3 and 4 of the Álamos Pumping Station, the improvement of the cable glands of the pumps of the Pedrógão – Right Bank Pumping Station and the repair of group 6 of the S. Pedro Pumping Station.

In parallel, the normal operation activities of the primary infrastructures of the Development were developed to guarantee the supply of water to the various blocks without failures and to reinforce the inflows from the Odivelas and Roxo reservoirs, the Alto Sado pipeline and the Enxoé and Magra water treatment plants.

With regard to the secondary network, during 2021, the actions inherent to the implementation of the irrigation campaign and other processes took place, having ensured all the operation and management component associated with the various infrastructures that make up the Development.

Conditioned preventive maintenance continued to be carried out by the electromechanical team and respective contractors, as well as monthly/quarterly readings which support invoicing.

In addition to the management, maintenance, and conservation of EFMA, throughout 2021 EDIA has multidisciplinary teams working daily in the field to ensure the full operation of the system, and contact with farmers is

made directly, based on a policy of proximity, seeking solutions that ensure the efficient use of water.

Regarding the analysis of the values of adhesion and water consumption in the EFMA perimeters on 31 December 2020 and 31 December 2021, there was an increase in adhesion of about 4.8% (4,926 ha),

with the area enrolled at the end of the year being 108,158 ha. As for water consumption, at the end of 2021, it stood at 316,101,263 m³, a figure higher than the consumption verified in the same period, as shown in the table below.

Alqueva Perimeters	2021			2020		
	Benefited Area	Registered Area	Consumption	Benefited Area	Registered Area	Consumption
	ha	ha	m ³	ha	ha	m ³
Alqueva Subsystem	61 723	56 997	167 432 835	56 005	53 227	146 614 084
Monte Novo	7 714	11 109	27 211 458	7 714	11 124	22 823 126
Alvito – Pisão	8 452	7 771	26 606 007	8 452	7 794	23 476 224
Pisão	2 588	1 823	7 446 032	2 588	1 747	6 830 553
Alfundão	4 216	4 702	12 989 878	4 216	4 145	11 458 886
Ferreira, Figueirinha and Valbom	5 118	3 425	9 805 296	5 118	3 254	8 567 829
Loureiro – Alvito	1 050	901	3 959 114	1 050	903	3 513 882
Ervidel	8 228	6 741	19 977 058	8 228	6 460	19 124 111
Cinco Reis – Trindade	5 600	7 441	26 030 509	5 600	7 121	22 616 616
Vale do Gaio	3 903	3 372	8 574 406	3 903	2 937	6 625 635
Beringel–Beja	5 103	4 867	17 090 492	5 103	4 740	16 815 587
Roxo – Sado	4 033	3 034	6 427 827	4 033	3 002	4 761 635
Cuba–Odivelas	2 773	1 281	271 273			
Évora	2 945	530	1 043 485			
Ardila Subsystem	28 562	25 842	69 283 188	28 562	25 580	65 459 698
Orada – Amoreira	2 522	2 209	4 499 866	2 522	2 129	3 900 577
Brinches	5 463	4 496	11 191 584	5 463	4 646	10 445 720
Brinches – Enxoé	4 698	4 964	15 045 345	4 698	4 838	14 399 208
Serpa	4 400	3 979	12 521 258	4 400	3 922	11 344 531
Pias	4 698	3 585	9 356 536	4 698	3 599	9 041 618
Caliços – Machados	4 664	4 476	12 627 888	4 664	4 396	12 550 755
Caliços – Moura	2 117	2 132	4 040 711	2 117	2 050	3 777 289
Pedrógão Subsystem	23 913	25 319	79 385 240	23 913	24 425	70 489 644
Pedrógão Right Bank	4 016	4 402	8 801 773	4 016	3 937	7 724 279
Baleizão – Quintos	7 999	8 358	25 343 714	7 999	8 311	23 979 257
São Pedro – Baleizão	6 035	7 358	24 946 424	6 035	7 172	20 460 671
S. Matias	5 863	5 202	20 293 329	5 863	5 005	18 325 437
Total	114 198	108 158	316 101 263	108 480	103 232	282 563 426

Note: CIEFMA data as of 28 January 2022. Occasionally small changes may occur in comparative figures for previous periods.

Table 4: Water consumption at the EFMA perimeters

The next table shows the water reinforcements made to reservoirs, water sources, mainly from neighbouring perimeters and public supply. A value of 33.20 hm³ is observed, which in comparison with the same period in the previous year, translates into a decrease in these supplies in the year 2021.

Supplies	2021	2020
Vale de Gaio	0	0
Campilhas and Alto Sado	7 653 640	11 894 677
Águas de Santo André	0	11 122 151
Vigia	2 296 926	3 145 870
Enxoé*	990 618	1 234 479
Monte Novo	0	647 507
Roxo**	0	26 856 703
Odivelas	20 841 000	37 002 000
Luz	1 422 000	1 179 000
Total	33 204 184	93 082 387

* No flow meter installed, value calculated by estimate and validated by AgdA.

** For Roxo, the difference between the adduced and received volumes must be made. In 2021, if the volume received is greater than the volume added, it is considered that there was no supply

Table 5: EFMA water supply consumption

Regarding consumption associated with direct abstractions, a value of 20,571,623 m³ was recorded during 2021, which reflected a slight increase compared to the consumption observed in the same period of the previous year.

Direct Abstractions	2021	2020
Consumption	20 571 623	19 261 730
Total	20 571 623	19 261 730

Table 6: EFMA water abstraction consumption

The table below summarises the total consumption for Alqueva in 2021:

	2021	2020
Alqueva Perimeters	316 101 263	282 563 426
Supplies	33 204 184	93 082 387
Direct Abstractions	20 571 623	19 261 730
Total Consumptions	369 877 070	394 907 543

Table 7: Total Consumption – EFMA

In general, the following can be concluded:

- The total volume of water distributed was 369.88 hm³. Comparing this value with the 394.91 hm³ that occurred in 2020, there is a decrease of 25.03 hm³, that is, about 6.34%;
- In the perimeters there was an increase in consumption in all EFMA subsystems (33.54 hm³), which represents around 11.87%, with this increase, in absolute terms, being more accentuated in the Alqueva subsystem;
- Regarding the membership figures, there was a slight increase in the registered area, compared to the same period of the previous year, of about 4.72%;
- The major decrease in consumption, which influenced the total results, occurred in the reinforcement of neighbouring reservoirs; and
- The value registered in the direct captures suffered a slight increase in relation to the same period of the previous year.

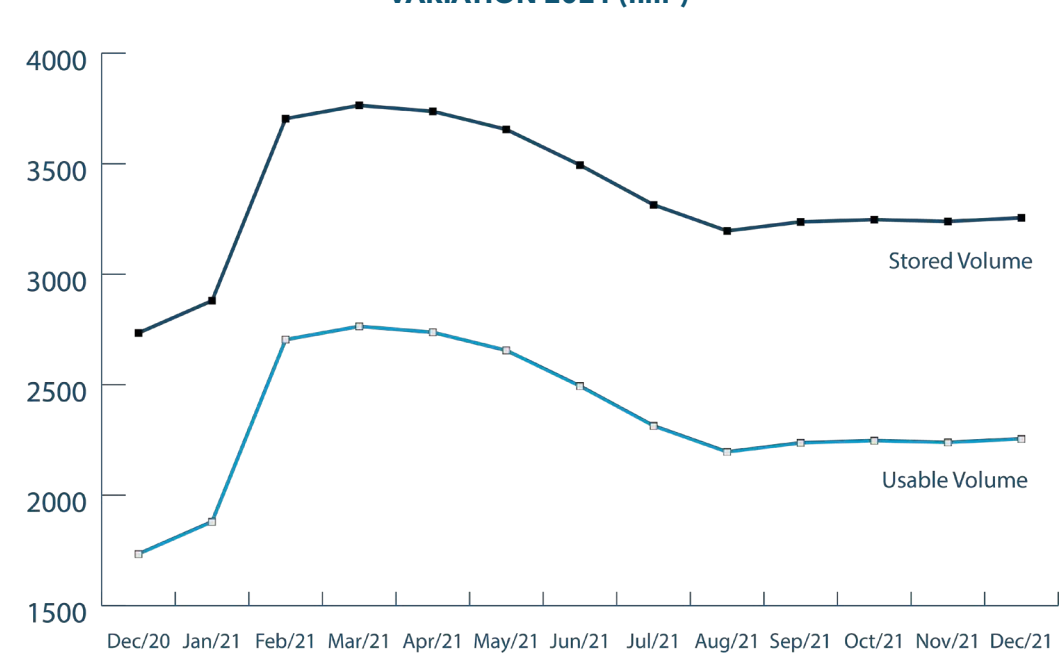
In the year 2021, the evolution of the stored and useful volumes of the Alqueva reservoir was as follows:

Alqueva Reservoir		
Date	Stored volume	Useful volume
Dec/20	2 734	1 734
Jan/21	2 880	1 880
Feb/21	3 704	2 704
Mar/21	3 764	2 764
Apr/21	3 737	2 737
May/21	3 655	2 655
Jun/21	3 494	2 494
Jul/21	3 314	2 314
Aug/21	3 196	2 196
Sep/21	3 237	2 237
Oct/21	3 247	2 247
Nov/21	3 239	2 239
Dec/21	3 255	2 255

Note : These are volumes counted at the end of each month

Table 8: Alqueva Reservoir volume 2021

ALQUEVA RESERVOIR - VOLUME STORED/USEFUL VOLUME ANNUAL VARIATION 2021 (hm³)

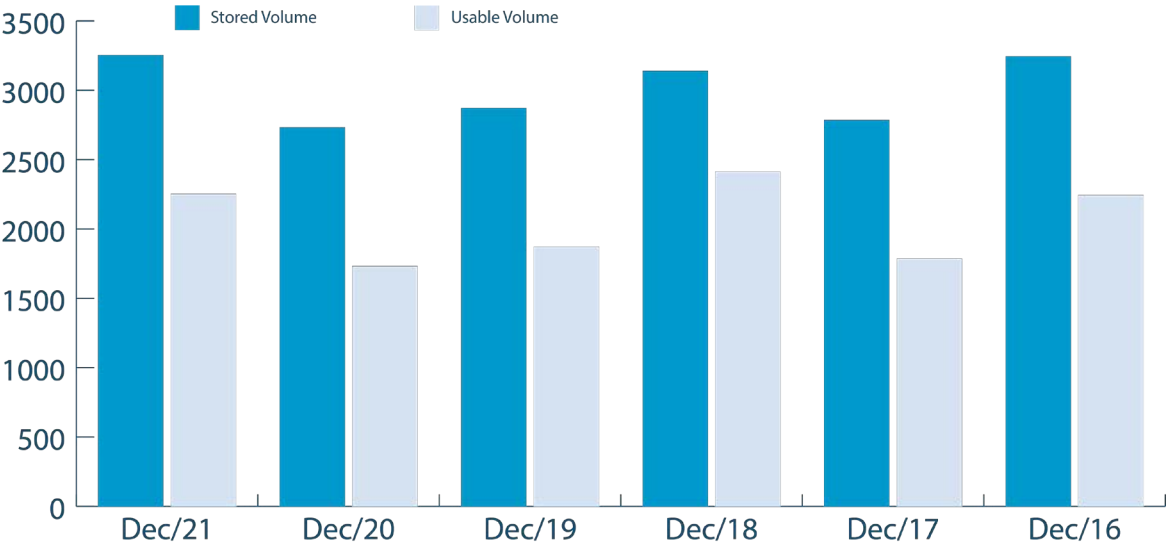


Graph 2: Volume of water stored in the Alqueva reservoir

During this period, the global volume of water distributed (369.88) hm³ represents around 59.66% of the volume of water allocated to priority uses

defined in the concession contract (620 hm³), and 21.3% of the useful volume of the Alqueva reservoir at the end of 2021 (2,255 hm³).

ALQUEVA RESERVOIR - VOLUME STORED/USABLE VOLUME - YEAR ON YEAR CHANGE (hm³)



Graph 3: Volume of water stored in the Alqueva reservoir

The variation in the useful volume of the Alqueva reservoir, between 1 January (1,734 hm³) and 31 December 2021 (2,255 hm³), recorded an increase of 521 hm³ .



Energy

EDIA, in recent years, has been focusing on energy solutions that are environmentally friendly and ecologically compatible with a process of sustained development that is desired for the region, thus giving its example through the materialization of photovoltaic solutions. During the year 2021, the maintenance and operation actions of the various photovoltaic and mini-hydro plants of the Development continued.

In terms of hydroelectric energy production, the Alvito, Odivelas, Roxo, Serpa and Pisão power plants produced, in 2021, 6,591 MWh, which represents a 44% decrease compared to the same period in the previous year. It should be noted that Roxo hydroelectric power plant did not operate during this period.

Hydroelectric Power Generation	MWh	
	4th quarter 2021 (Accum.) (MWh)	4th quarter 2020 (Accum.) (MWh)
Alvito Hydroelectric Power Plant	2 456	3 983
Odivelas Hydroelectric Power Plant	2 936	5 996
Roxo Hydroelectric Power Plant		
Serpa Hydroelectric Power Plant	819	1 156
Pisão Hydroelectric Power Plant	380	644
Total	6 591	11 779

Table 10: EFMA Hydroelectric power generation

The sharp decrease in 2021 concerns mainly the Odivelas hydroelectric power station and is due to the reduction in the volume of water supplied to this reservoir.

The table below shows photovoltaic energy production for the years 2021 and 2020. There was a production of 4,946 MWh during the year 2021, which represents an increase over the same period

of around 20.66%. Photovoltaic energy is produced through the photovoltaic plants installed at the Alqueva plant, at the EDIA headquarters, and at the plants installed near the pumping stations of Orada, Pisão, Monte Novo, Loureiro-Alvito, Cuba – Este and Lage.

Photovoltaic Energy Production	MWh	
	4th quarter 2021 (Accum.) (MWh)	4th quarter 2020 (Accum.) (MWh)
Alqueva Power Plant	59	57
Registered Office's Building Power Plant	154	138
Orada Photovoltaic Power Plant	384	386
Pisão Photovoltaic Power Plant	398	292
Monte Novo Photovoltaic Power Plant	503	473
Loureiro-Alvito Photovoltaic Power Plant	477	474
Alvito-Pisão (East Cuba) Photovoltaic Power Plant	1 381	1 053
Lage Photovoltaic Power Plant	1 591	1 051
Total	4 946	3 924

Table 11: Photovoltaic energy production – EFMA

Projects in the Area Surrounding Alqueva

As regards the project for the Observation and Command Post for the Alqueva reservoir, the construction contract and respective supervision was awarded at the end of the year.

With regard to the Alqueva Surroundings Project, and in the context of the AlquevaPark of the Valorizar Programme, several work meetings were held throughout the year to monitor the project. The presentation of the project was also made to tour operators, and a photographic report was made for the application. The filming of the promotional video was also monitored.

On the other hand, beacons were implemented and tested in Aldeia da Luz, PNN and Barrancos, which are necessary to send notifications to those who have the application with important information about certain places.

Expropriation Procedures

In the case of projects in the final phase of the expropriation process relating to the 1st Phase of construction of EFMA, the work carried out related to the drafting of amicable expropriation deeds and indemnity agreements, the completion of registrations and the regularisation of registration situations, both in terms of Land Registry Offices and Tax Offices.

Environment and Heritage

With regard to the completion of the formal procedures for Environmental Impact Assessment (AIA) of the projects – associated with the primary and secondary networks, integrated in Phase 1 of EFMA, some documents are still awaited so that the respective closure can be made. Most of the procedural issues are concluded and duly approved by the various supervisory entities.

Within the scope of the post-Evaluation phase provided for in Decree-Law No 151-B/2013 of 31 October and Order No 395/2015 of 4 November, complemented by what is defined in the Regulations of the Hydroagricultural Perimeters, EDIA is responsible for preparing environmental reports and carrying out monitoring/inspection inspections of the areas benefited by EFMA. The main purpose of these monitoring visits is to verify compliance – by beneficiaries – with the implementation of the measures of the Environmental Impact Statements (EISs) on the ground and report to the Irrigation Authority any non-compliance with them.

With regard to the conservation of Mediterranean Temporary Ponds, work was carried out to follow up

and monitor the units included in the Plan for the Conservation of Temporary Mediterranean Ponds in EFMA (PCCTM), as set out in the DIAs. The respective Monitoring Report for Temporary Mediterranean Ponds in EFMA (2020/2021 Season) was delivered, taking into account the recommendations of the AIA authorities.

In the field of agro-ecology, and as a result of the monitoring and supervision actions of the beneficiaries of EFMA, several Alqueva farmers have asked EDIA for environmental and patrimonial advice to make their farms more competitive and compatible with natural capital, seeking to increase good agricultural practices in their daily activities. In this context, it has been preparing technical opinions and contributions for the improvement of agricultural activity. It continued the environmental monitoring of a farm, which began in late 2020, as well as its advice in ecological terms, and the monitoring report for the Eugénio de Almeida Foundation is being prepared.

We also monitored some of the activities proposed under the Ecological Enhancement Plan for Marzalonas estate, Monte da Faleira, Balhamim and Vale de Caldeiras.

Following external requests for support from beneficiaries, the Ecological Enhancement Plan for the Agualdinhas Estate (estate located on the Brinches perimeter) was submitted and the Ecological Enhancement Plan for the Vale de Água Estate (estate located on the Ervidel perimeter) was presented.

Given the size of EFMA, the number of projects submitted to AIA and the number of water lines intervened within the scope of projects to improve the drainage network and within the scope of Projects to Rehabilitate Water Lines (PRLA), it was

necessary to systematise all the information for a correct monitoring of the PRLA projects, within the scope of the operation phase, and to this end, a Plan to Monitor Water Lines was prepared.

In addition to agro-ecology and the rehabilitation of riparian habitats, studies, and projects to promote biodiversity were also carried out, namely at the level of ecological corridors, monitoring of quiropteran populations and keratin compensation projects.

Regarding the theme of ecological corridors, the assessment and analysis of ecological connectivity in the EFMA irrigated area continues, and the EFMA Ecological Connectivity Plan (ECP) is in its final phase. Its objective is to preserve, conserve and restore the ecosystems present in the Alentejo, favouring the mobility of fauna, the conservation of priority habitats, as well as the protection of species and their natural dynamism.

With regard to the monitoring of chiropteran populations in the period under review, 37 bat boxes have been installed as part of the project to raise awareness among farmers, and there are already new contacts with a view to more installations in the future. Support was also provided to ICNF under the “Plano Nacional de Monitorização dos Morcegos Cavernícolas” (“National Monitoring Plan for Cave-dwelling Bats”).

Within the scope of compensation for the felling of Quercíneas during the construction and operation phases of EFMA, the evaluation of the

Quercíneas plantations was carried out following the plantations carried out within the scope of the construction contracts for the connection to the Morgavél System, the hydraulic circuit of Cuba Odivelas, the hydraulic circuit of Évora and the hydraulic circuit of the Odivelas dam supply.

In terms of cultural heritage, the report on the work carried out during 2020 as part of the monitoring of cultural heritage located in EFMA reservoirs was approved

Environmental Monitoring

Environmental monitoring is an important management tool that allows characterizing the reference situation and following the evolution of different environmental descriptors. The monitoring work, promoted by EDIA, allows to follow, and understand the evolution of environmental variables in EFMA’s area of influence, to collect and compile data to support decision-making within the scope of the management and operation of the Development and to assess the effectiveness of the mitigation measures implemented in the various environmental areas and, if necessary, propose new measures.

Thus, EDIA, continued during the year 2021, to ensure the implementation of environmental monitoring programmes relating to the different aspects and stages of EFMA, particularly at the level of the state of surface and groundwater bodies, fauna, flora, vegetation, and soils, for the Alqueva-Pedrógão system and primary and secondary networks of the Project.

Alqueva-Pedrógão System and Primary Irrigation Network

Name/Activity	Status
Status of Surface Water and Groundwater	
Monitoring of Surface Hydric Resources of EFMA's Primary Network (Hydrological Year 2018/2020)	Report to be sent to the National AIA Authority awaits superior approval
Monitoring of Surface Hydric Resources of EFMA's Primary Network (November 2020/December 2022)	Ongoing
Monitoring of the potential impacts of the Guadiana-Sado water transfer on Ichthyofauna (2019)	Report to be sent to the National AIA Authority awaits superior approval
Monitoring of the potential impacts of the Guadiana-Sado water transfer on Ichthyofauna (2020/2021)	Ongoing
Monitoring of the effectiveness of microtamisators in Penedrão-Roxo and Vale do Gaio (2020)	Report to be sent to the National AIA Authority awaits superior approval
Monitoring of the effectiveness of microtamisators in Penedrão-Roxo and Vale do Gaio (2021)	Annual Report under development
Monitoring of zebra mussels in EFMA's reservoirs by cable inspection	Ongoing
Fauna, Flora and Vegetation	
Monitoring of the effectiveness of measures to minimise the barrier effect and the trap effect	Fall season monitoring completed. Report sent to the National AIA Authority awaits approval
Monitoring of Flora and Vegetation in the Hydraulic Supply to the Odivelas Dam and By-Pass (2021)	Report sent to the National AIA Authority awaits approval
Monitoring of Birdlife in EFMA's Reservoirs (2022-2023)	Preparation and launch of prior consultation
Noise Environment	
Monitoring of the noise environment generated during the operation of EFMA's infrastructures	Ongoing

Secondary Irrigation Network

Name/Activity	Status
Status of Surface Water and Groundwater	
Monitoring of Surface Hydric Resources in the Secondary Irrigation Network in the Exploration Phase - 2020/2021	Ongoing
Monitoring of Groundwater Resources in EFMA for the Exploration Phase - 2021/2022	Ongoing
Monitoring of Surface Hydric Resources in the Secondary Irrigation Network in the Exploration Phase - 2022/2023	Preparation for Public Tender
Fauna, Flora and Vegetation	
Monitoring of Birdlife at the Alvito-Pisão Irrigation Block (2016-2018)	Report sent to the National AIA Authority awaits approval
Monitoring of Birdlife at the Alvito-Pisão Irrigation Block (2018-2020)	Report sent to the National AIA Authority awaits approval
Monitoring of Birdlife at the Alvito-Pisão Irrigation Block (2020-2022)	Ongoing
Monitoring of Birdlife at the Secondary Irrigation Network (2018-2019) - Area B	Addendum of the report sent to the National AIA Authority awaits approval
Monitoring of Birdlife atthe Secondary Irrigation Network (2020-2021) - Area C	Ongoing
Monitoring of Birdlife at the Secondary Irrigation Network (2021-2022) - Area D	Ongoing
Monitoring of Birdlife at the Secondary Irrigation Network (2021-2022) (New Area - Area E)	Ongoing
Birdlife in the Secondary Irrigation Network of EFMA - Characterisation of the Reference Situation for the Connecting Hydraulic Circuit to the Monte da Rocha Dam and the Messejana Irrigation Block (2022-2023)	Preparation for Public Tender
Monitoring of Chiroptera in the Caligos-Machados Irrigation Blocks 2019-2021	Awaiting submission of revised 2019-2020 report and 2021 final report
Monitoring of Chiroptera at the Moura Irrigation Block (2022)	Preparation for Public Tender
Study of Habitat Use by Chiroptera in the Area of Influence of the Póvoa-Moura Irrigation Circuit and Respective Irrigation Blocks	Preparation and launch of public tender
Monitoring of Aquila fasciata (Osprey) in the Cuba-Odivelas Hydraulic Circuit (2018-2019)	Report sent to the National AIA Authority awaits approval
Monitoring of Linaria ricardoi in the Secondary Irrigation Network (2020-2021)	Report sent to the National AIA Authority awaits approval. Revision of 2021 Report.
Soils	
Soil Monitoring in EFMA's Irrigation Blocks - Area A (operational phase - 2020)	Concluded. Awaits validation by APA.
Soil Monitoring in EFMA's Irrigation Blocks - Area E - Characterisation of the reference situation - 2021	Ongoing
Soil Monitoring in EFMA's Irrigation Blocks - Area B - Exploitation Phase - 2021	Ongoing

Table 12: Environmental Monitoring - EFMA

Under the new contract for monitoring water quality in the EFMA primary network, starting in November 2020, EDIA has been collaborating with the Alentejo Hydrographic Region Administration (ARH-Alentejo), in the collection of water samples for this institution with the aim of providing support in complying with the Water Framework Directive (WFD).

Under the Protocol signed between EDIA and the Higher Institute of Applied Psychology (ISPA) with the aim of investigating the relationship between the environment and the genetics of river mussel populations in the Sado and Guadiana River basins, the report with the conclusions of the work of genetic characterization of bivalves in the EFMA area was sent to the National Authority for AIA.

Throughout the year under review, the operation of the network of automatic water quality and climatological stations was monitored.

Management and Exploitation of Natural Resources

For the management and exploitation of natural resources, EDIA has the supervision and surveillance team (EFV) that develops various surveillance and supervision activities in the field. Within the scope of the activities of this team, several field visits were made to the installation areas of some of the required catchments, in order to characterise the initial situation prior to the issuance of titles of private use and to monitor the evolution of these areas after the award of titles.

Throughout the year, we monitored various activities that took place around the reservoirs, such as detecting pests or pollution phenomena, collecting waste in the public waterways domain,

repairing and helping to control aquatic plants, as well as other occasional maintenance work.

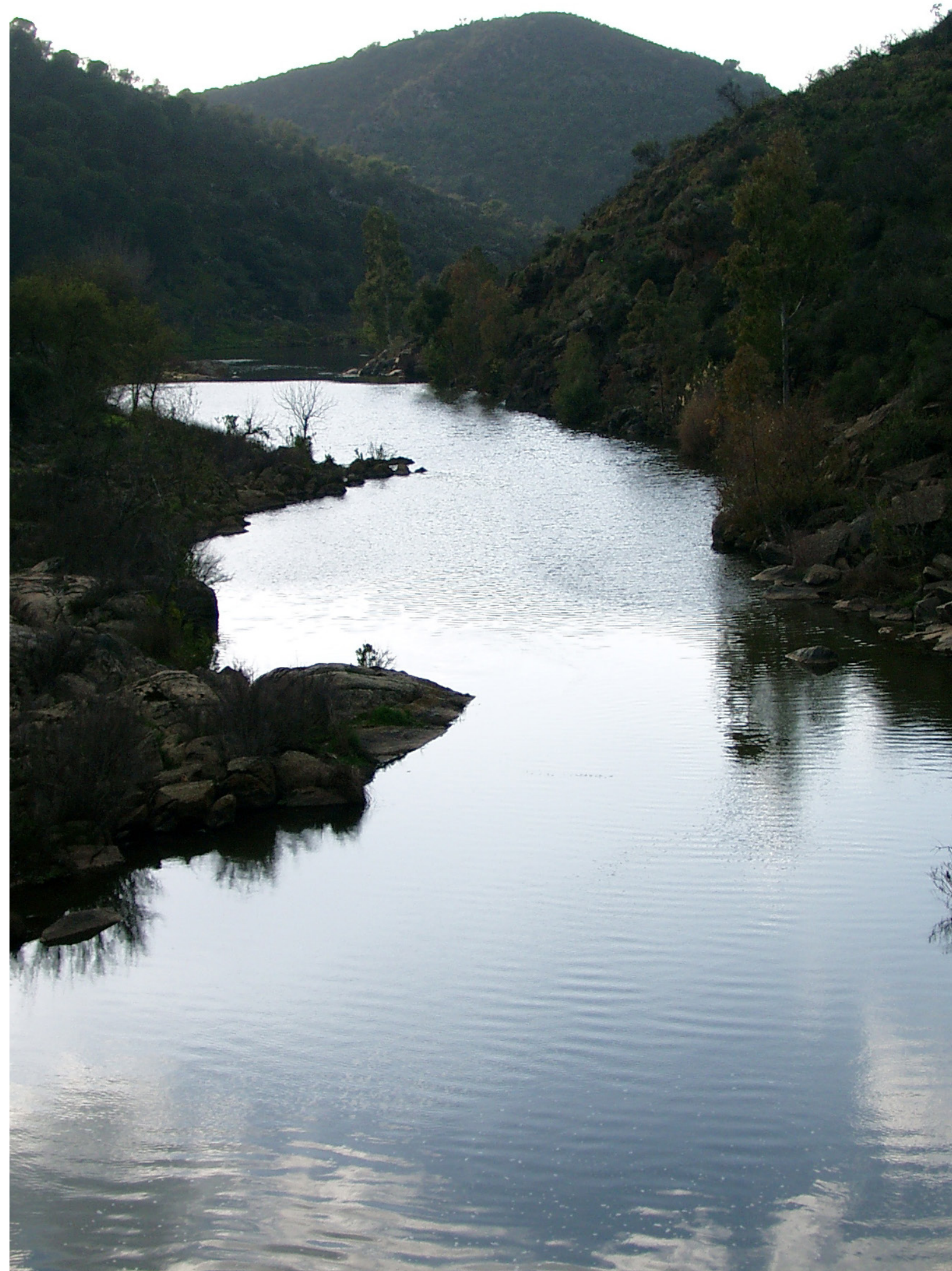
In 2021, the processes in progress in the Company were also analysed, within the scope of support to applicants in the instruction of licence/concession requests for abstraction of surface water, in the context of self-monitoring provided for in the EFMA concession contract. In the whole period, 14 requests for water abstraction were received, 5 requests for prior information (PIP), of which 5 were rejected and 3 titles of use of water resources (TURH) were issued.

Following the signing of the 1st addendum to the EFMA concession contract, which among other things transfers the Alvito reservoir to EDIA, a letter was drafted and sent to APA regarding the transfer of TURH issued by APA for irrigation from the Alvito reservoir.

During the year under review the settlement notes for surface water abstractions were also issued for the volumes abstracted during the 2nd half of 2020 and the 1st half of this year, and technical sheets were prepared to characterise the existing abstractions in the EFMA primary system.

The monitoring of compliance with the operational conclusions defined in the Study on Environmental Conditions in the Guadiana River Estuary and Adjacent Areas – Operational Conditions (February 2005) continued in 2021, and the report for the hydrological year 2020/2021 was sent to the CADC.

In terms of improving the state of the water, the compliance with the measures relating to the maintenance regime of the ecological flows of the primary network, in operation, was monitored. It should be highlighted, during the first semester, the delivery of an equipment based on the hydroacoustic measurement method of the current



velocity that can measure water velocities from 0.0001 to 4.5 m/s and that allows to estimate the flow in small water lines. During the 3rd quarter, flow measurements were carried out downstream of Reservoir R4 of Monte Novo, Loureiro dam and Alámos system, in order to check the operation of the equipment. A survey of the potential sections for measuring the ecological flow was also carried out.

Two tree-planting projects were carried out around the EFMA reservoirs, namely the Álamos and Almeidas reservoirs, which have, in their surroundings, permanent irrigated crop projects. It is therefore important to create an interface wooded area in both reservoirs, enabling the creation of a natural discontinuity that can serve as a riparian strip that enhances the biodiversity of these bodies of water, but also as a filtering area, in order to improve water quality and reduce diffuse pollution. The planting work at Almeidas reservoir was completed in the current quarter.

The renewal of safety signage at the Alqueva dam was completed at the beginning of the year, with

the creation of a single line of safety signage, with cylindrical buoys and nautical marks, with light signage during periods of low light.

With regard to exotic species, during this period, work continued on the control of *water hyacinth* in the upstream area of the Alqueva reservoir, as well as monitoring of the early detection cables of the zebra mussel, and within the scope of the ACECA project (Actions for the Control and Elimination of the Yellowhead in the Guadiana River Cross-border Area), the Automatic Collection Station for water hyacinth began operating near the Monte da Vinha weir.

Also of note is the approval of the application submitted to the Environmental Fund (“ACTION Z - Control and Eradication of *Dreissena polymorpha* in the Sado Basin, EFMA”)– Notice no. 9678/2021: Nature Conservation and Biodiversity – Prevention and control of aquatic invasive alien species.

The project aims to keep active the priority objectives of the actions developed by EDIA, in 2019, in the context of the first zebra mussel

(*Dreissena polymorpha*) invasion in Portugal, in the Sado river basin, namely in terms of control and eradication of one of the most damaging invasive species for hydro-agricultural undertakings and consequently ensuring the biophysical conditions for the pursuit of water use in all its valences, including irrigation, more specifically in an area of the Sado river basin, in which several sites of environmental importance are integrated, including the Sado Estuary Nature Reserve.

The signing of the financing contract between APA and the Environmental Fund took place on 8 November. The Protocol between APA and EDIA was signed in the fourth quarter, thus ensuring on this date the administrative and financial issues that allow EDIA to start the implementation of the project.

As such, some actions of the Z Action project have been initiated, namely the acquisition of ladder ropes, for dual function of zebra mussel detection and animal rescue in canvas tanks, and the procedure for the awareness film of the Z Action project has also been launched.

Under POSEUR – Notice POSEUR-15-2019-22, and the application approved in 2020 called “Zona J, River restoration of the cross-border section of the Guadiana River and Alqueva reservoir and control of invasive exotic species such as water hyacinth (SCI Guadiana / Juromenha)”, the planting works associated with the rehabilitation of the Várzea Redonda area were completed. As regards the Guadiana Zero project, the reserve barriers for control actions against water hyacinth were delivered. It should also be mentioned that the works relating to the maintenance of the acoustic barrier located at the beginning of the Loureiro-Alvito tunnel are in progress, and the repaired equipment has already been received by the contractor.

Within the scope of soil management and with regard to the URSA project (Alqueva By-product Recirculation Units), protocols to join the URSA strategy were signed with various entities with a view to expand the network of organic valorisation units in EFMA, in order to follow up on the objectives of the project, but also to anticipate the growing production of organic by-products



associated with irrigated crops. The process of acquiring a tractor for the URSA unit, located at Abóboda estate, also took place, which will allow the capacity of the experimental unit to be reinforced.

In the context of Bio-ecology, the *Local Action Plan for Linaria Ricardo and Associated Species (LAPr)* was completed and presented to the Board of Directors, which shows compliance with EIDs and the updating of actions relating to the species in accordance with the most recent national and European strategic documents on this matter. The data obtained in the monitoring programme consolidate knowledge about the ecological requirements of the species, particularly those related to the edaphic composition and floristic communities associated with the presence of *Linaria Ricardo*.

Within the scope of land management, EDIA continued to ensure its collaboration within the scope of the Municipal Master Plans (PDM) and Rural Intervention Plans (PIER), namely by participating in meetings and issuing opinions.

Environmental Management Systems

As in previous years, the daily dissemination of the various bulletins continued to be made with information to support environmental management, referring to the volume stored and daily variation in the quotas of the Alqueva and Pedrógão reservoirs, as well as daily information about the flows recorded upstream and downstream of the Alqueva – Pedrógão system. The analysis of the discharged flows and the values recorded in the

Guadiana River was also carried out, in order to control the flow released by the Pedrógão dam versus the value of ecological flow to be ensured.

On the other hand, the regime of ecological flows for the EFMA primary network, currently in operation, was internally disseminated on a monthly basis and, whenever requested by the irrigators, the results of the monitoring of surface water resources regarding the primary network are made available.

Cooperation and Partnerships

In terms of cooperation and partnerships, the FITOFARMGEST-**Sustainable management of phytopharmaceuticals** in olive groves, vineyards, and arable crops in the EFMA area of influence) project continued and in May the **REUSE – Phase II project** got underway, which promotes the production and use of reuse water (ApR) in agricultural activity, with a view to testing an ApR production system using solar disinfection (action 1). The pilot project was installed in the Beja Wastewater Treatment Plant (WWTP). Through Phase II of the project, it is intended to obtain more data to deepen and support the conclusions drawn during the first phase.

The FitoFarmGest – Sustainable management of phytopharmaceuticals in olive groves, vineyards and field crops in the EFMA area of influence is a project led by the Polytechnic Institute of Beja (IPBeja) and has as main objectives: Assess the dynamics of the main groups of phytopharmaceuticals (with environmental and

human impact on irrigated crops in the EFMA area of influence); Identify/determine a group of biological and/or physicochemical indicators for the evaluation of the sustainable use of phytopharmaceuticals, in order to improve the monitoring of their use and ensure a better degree of protection of the human population and ecosystems; prepare a Manual of Good Practices in the field of sustainable management of phytopharmaceuticals, contributing to the improvement of the quality of production, protection and conservation of soil and water resources. EDIA has accompanied the work associated with this project, through the provision of logistical support.

REUSE is a project financed by the Environmental Fund, carried out in consortium between AdP Serviços, AgdA, COTR, EDIA, EFACEC and ISA, which aims to promote the production of water for reuse (ApR) in irrigated agriculture in the Alentejo.

For this purpose, the project includes a demonstration pilot for the production of ApR using an environmentally sustainable and low-cost solar disinfection technology, which was installed at the Beja Wastewater Treatment Plant (WWTP). After solar disinfection of treated wastewater at Beja WWTP, the water is used for drip irrigation of a pomegranate orchard, with the aim of developing methodologies to promote the reuse of wastewater in a safe and adapted way for irrigation use, supported by a cost-effectiveness analysis. The project also has as a pillar the circular economy, intending to promote the reduction, reuse, recovery and recycling of nutrients and energy. Complementarily, REUSE aims to study the effect of dilution, self-depuration and natural decay of pollutants present in treated wastewater after discharge into the natural water

environment, in order to clarify the dynamics of the barriers created by these processes. The study area will be the catchment area of the Odivelas reservoir in the zone of influence of the Alvito WWTP discharge.

The **PlaCarvões** partnership started the preparation of the international project Systemic Solutions for a Circular Economy in the Agrifood sector of the Alentejo Region. The partnership is coordinated by CIMAC and is part of a wider consortium coordinated by CCDR Alentejo and ADRAL. This project will be submitted in early 2022 to the H2020 successor programme.

Regarding the PlaCarvões project, two scientific articles were prepared by the project team, one focusing on technical and scientific issues of the production process of activated carbon from a new precursor, the non-recyclable plastic, the second article focused on the genesis of this single-use plastic waste. The publication of the articles in the respective scientific journals should occur in January 2022.

Under the **TOXICROP** project, the consortium will investigate environmentally friendly, low-cost water treatment techniques targeted at the removal of cyanobacteria and toxic cyanotoxins. The project also aims, among other objectives, to propose maximum levels of cyanotoxins in irrigation water. EDIA has accompanied the work associated with this project by providing logistical support.

INFRASTRUCTURES UNDER CONSTRUCTION (2ND PHASE OF EFMA)

The publication of the 1st Notice for the submission of applications, on 29 April 2019, decisively marked the operationalization of the PNRegadios, approved by the Portuguese State in October 2018, and financed through the EIB and the CEB. It should also be noted that, of the approximately EUR 560 million stipulated for the benefit of 100,000 ha throughout the country, EUR 236 million is intended for the 2nd phase of implementation of the Alqueva irrigation scheme.

During the 1st half of 2019, EDIA, proceeded with the preparation of ten project applications for the 2nd stage of infrastructure of the Alqueva irrigation that represent a total investment of about EUR 95 million. All these applications were, by the end of 2021, approved.

Main Indicators	111-000004 Cuba- Odivelas	111-000005 Évora	111-000006 Loureiro- Alvito	111-000007 São Pedro	111-000008 Viana	111-000009 Morgavél	111-000010 Reguengos (1)	111-000011 Vidigueira (1)	111-000012 São Bento (1)	111-000014 Pedrógão MD	TOTAL
Total Investment	9 447 689,24	13 811 507,63	1 099 873,51	1 926 230,04	19 571 835,11	10 909 565,66	61 038 076,42	9 585 366,00	19 926 192,03	0,00	147 316 335,64
Investment Support (PNRegadios)	9 424 386,66	13 627 714,00	1 099 873,51	1 822 884,25	18 948 510,00	10 909 565,66	30 056 751,31	422 258,40	430 964,00	4 400 000,00	91 142 907,79
	2 790	2 970	1 107	14 024	4 606	688	10 273	2 190	4 232	24 529	67 409,33
No. of benefited agricultural holdings (units)	29	36	23	165	36	4	232	121	102	903	1 651
Farmers covered (units)	29	36	16	165	36	4	232	121	102	342	1 083
Average area of holdings (ha)	96,21	82,50	48,13	84,99	128,00	172,00	44,28	18,10	41,00	71,72	786,93
Irrigation blocks (units)	1	1	1	2	1	1	4	3	2	4	20
Pumping stations (units)		1	1		1		1	1			5
Irrigation hydrants (units)	40	45			71	7	458	245	175		1 041
Hydrants (units)	21	25			35	4	198	144	104		531
Pumping stations (units)				1						1	2
Road network (km)					3,49		0,00				3,49
Other renewable energy production units (units)		1			1		1	1	1		5

(1) Applications divided into two phases.
The Reguengos application included in this phase the primary network infrastructures, the Peral block and complementary actions and the applications from Vidigueira and São Bento included the East Cuba and Lage photovoltaic plants.

Table 13: Main Indicators for PNRegadios Applications - 1st Call

It is planned in early 2022 to open the 2nd notice, with the following infrastructures planned to apply:

- Reguengos Hydraulic Circuit and its block – 2nd phase;
- Vidigueira and Block Hydraulic Circuit – 2nd phase;
- Hydraulic circuit and Póvoa-Moura block;
- Hydraulic Circuit connecting the Monte da Rocha reservoir and the Messejana irrigation block;
- Reinforcement of the Penedrão pumping station;
- Reinforcement of the Estácio pumping station;
- Pedrógão pumping station reinforcement – left bank;
- Reinforcement of the Laje pumping station; and
- Reinforcement of the Pedrógão 1 and 3 pumping stations.

Improvements to Existing Irrigation

In the primary network, work continued on the construction contract to boost the power of the Álamos pumping station, which consists of installing two more groups, thus doubling the supply capacity to guarantee the growing demand for water in the Alqueva subsystem.

Due to the pandemic caused by the COVID-19 virus several works on this project were suspended in early 2020. To make up for the delay, a legal extension of 60 days was approved, and additional work to correct errors and omissions was also approved. During this period, the process of receiving equipment continued, as well as the respective assemblies, namely the ventilation and electrical installations, as well as the automation work, including the migration of the automatisms of groups 1 and 2. The corrections to the couplings were completed, as well as the placement of the HR's and respective instrumentation, having also proceeded to the start-ups of the groups.

The trial period has already taken place and the finalisation work in the area of automation, as well as the repair of deficiencies, is underway.

During the first half of the year, the contract to *supply and install the reinforcement of the Pedrogão – Margem Direita pumping station* began. In this work, the approval and procurement phase of the equipment to be incorporated into the work continued and equipment was placed in the suction and compression pipelines necessary to allow the execution of the work without having to interrupt the normal operation of the pumping station. The reinforced concrete work of the basins and the transformer's oil decantation reservoir were also completed, and work began on laying the gutters for the passage of medium voltage cables. In terms of equipment, the transformer was received at the site and work began on assembling the respective parts. The starters, pumps, check valves and compressors were also received and assembled. Inside the station, the laying of cable trays and the passage of various cables began.

In the secondary network, and with regard to the *contract works to remodel the Laje pumping station* (Phase 1 intervention), installation work

was carried out on the fans and ventilation ducts, and the sandwich panel structure and door were assembled. The interconnection of the TI's and the installation of the inter-busbar (690V) were also carried out, as well as the assembly and adjustment of the check valves and reprogramming of the automaton.

Promotion of New Irrigation Areas

Regarding the new irrigation schemes, the *construction works on the EFMA Morgavél connection to the Morgavél water supply system* were mostly completed, with two deadline extensions granted. Only the automation tests were carried over to next year.

Also in the primary network, work continued throughout the year on the *EFMA construction contract for the Viana do Alentejo hydraulic circuit*. A legal extension of 121 days and a grace period of 63 days were granted, with the end of the contractual deadline for the 1st quarter of 2022.

In this work, the approval of the equipment to be incorporated into the contract proceeded. In the pumping station, the roof was made, and the masonry, plastering and stonework were finished. The RAC's were also placed, and the assembly of special steel pipes began, in the supply and compression and the execution of the peripheral walls. The execution of the external arrangements also continues, having started the connection of the suction piping to the water intake of the Baronia reservoir.

In the compression pipeline, work started on the boxes for the operating units and the installation of the respective equipment began. The reinforced

concrete work on the operating gear and the embankments was completed and the laying of the canvas on the S. Miguel reservoir and the reinforced concrete work on the filtering station was finished.

In the *contract works for the Viana main pipeline and respective irrigation block*, the work carried out generally consisted of the stripping and excavation of the pipeline and irrigation network pipes, laying of the pipe laying bed, welding, and laying of HDPE pipes and pipe backfill. Civil construction work also continued on chambers and locksmiths, as well as horizontal drilling and watertightness tests. Inspections of the main network, irrigation network and road network were also carried out for provisional acceptance.

In the secondary network, the works relating to the *construction contract of the Évora hydraulic circuit and respective block* were completed. Thus, in the period under review, the completion of the civil construction works, and the delivery of the technical compilation/final drawings should be highlighted. The pre-inspections for provisional acceptance and the repair and cleaning works were also carried out and commissioning tests were started. The provisional acceptance record for this work was signed on 14 October 2021.

Finally, we should mention the construction contract of the *Cuba-Odivelas block*, with emphasis on the laying of HDPE piping and backfill in the final section of the CP pipeline (work in the restricted area), the assembly of accessories, equipment and metalwork, and the washing and watertightness testing of the irrigation network pipes. On the other hand, the remote management cable was laid in the trench and the supervision and remote management equipment was installed and tested. In 2021, the works of this project will be concluded.



Also noteworthy is the conclusion of the civil construction of valve chambers, bottom drains, suction cups and hydrants, and the conclusion of the assembly/testing of equipment as well as the conclusion of the assembly/testing of equipment and metalwork in the water intake.

Also as part of this contract, inspections were carried out and the provisional acceptance record was signed on 11 October 2021.

Throughout this period the construction contracts mentioned above were duly monitored in terms of on-site environmental management.

Execution Projects and Environmental Impact Studies

Throughout 2021, the analysis of various requests from farmers continued for the assessment of solutions for water use/capture in EFMA

infrastructures. In order to ensure access to water in a timely manner, the development and, in some cases, implementation of abstraction solutions and expedited hydraulic circuits for execution by interested parties also took place.

The contacts and preparation of responses to farmers and other agricultural entities also continued, particularly with regard to issues related to the three subsystems of EFMA. During the year, analysis and responses were made to requests for water for irrigation in a precarious manner from EFMA infrastructures, as well as responses to DGADR of several requests sent for analysis of compatibility of infrastructures with the EFMA infrastructures.

In order to prepare the expansion of the new irrigated areas, the monitoring of the preparation of some AIA's also continued, in parallel with the development of the respective implementation projects, as can be seen below.

Project Name	Project's Implementation	Environmental Impact Assessment
Alqueva Subsystem		
Hydraulic circuit connecting the Monte da Rocha reservoir and the Messejana Block	Concluded	APA's response to the information on the communication of the opening of additional procedures. The Environmental Impact Assessment procedure continues.
Lucefécit hydraulic circuit	Concluded	Submission of the Environmental Impact Assessment for the Environmental Impact Assessment procedure.
Pedrógão Subsystem		
Cabeça Gorda - Trindade Hydraulic circuits and blocks	Concluded	CCDR Alentejo's response to the proposal to add to the Environmental Impact Assessment sent by EDIA, requesting additional elements. The Environmental Impact Assessment procedure continues.

Table 14: Summary point status of the Execution Project and AIA - EFMA-2nd phase projects



Energy

EDIA has been investing in energy solutions that are environmentally friendly and ecologically compatible with a process of sustained development that is desired for the region, thus setting an example through the implementation of photovoltaic solutions.

In order to reduce the energy costs of its infrastructures, the Company has also been developing procedures for the construction of photovoltaic plants with a capacity of 50 MW, which allow for a production of 85 GWh (average year), to be installed on the water mirrors next to the main pumping stations of the EFMA primary network.

Throughout 2021, the maintenance and operation of the various photovoltaic and mini-hydroelectric plants of the Development continued.

During this period, and in relation to the construction contracts of the photovoltaic plants of Cuba Este and Lage, physically already completed, the development of synoptics of the supervision system and the final works of connections, adjustments and communication between equipment continued. In the construction contract of the photovoltaic plant of Laje, commissioning and inspection tests were also carried out. It should be noted that these plants, built under the 2nd phase of EFMA, were approved in the PNRegadios, and are already in operation.

Environment and Heritage

In 2021, work was carried out to minimise the impact on cultural heritage during the construction phase of some projects that had already begun.

In environmental terms, the ongoing construction works were monitored.

As requested in the DIA measure 'submission of a quarterly construction monitoring report, fundamentally supported by photographic records', quarterly reports were submitted for the works on the Cuba-Odivelas hydraulic circuit and respective block, the Évora hydraulic circuit and respective block, the Viana do Alentejo hydraulic circuit and respective block and the Reguengos hydraulic circuit and respective block.

It should be noted that the process relating to the pre-construction works, resulting from DIA, of the Cuba-Odivelas hydraulic circuit and respective block is closed.

As far as the heritage aspect is concerned, there was monitoring of the processes relating to the minimisation of impacts on cultural heritage during the construction phase. Thus, the management of each of the contracts is inherent to a vast set of activities associated with both the execution of its object and the fulfilment of administrative procedures and other legal obligations. The contracts currently underway are subject to archaeological monitoring by teams associated with the respective contractors. In this context, reports of the archaeological monitoring work have been sent to the Regional Directorate of Culture of Alentejo (DRCALEN).

Expropriation Procedures

Within the scope of the 2nd Phase of EFMA, tasks continued with the aim of ensuring the expropriation procedures associated with ongoing projects, with interventions scattered throughout

the intervention area of the Development. Work was carried out of verification/validation of the expropriation project, recognition of the areas to be intervened, notification of all owners and interested parties of the start of the project, collection of elements for the preparation of the bases of assessment, evaluations of the areas to be affected and negotiations with owners and other interested parties.

Regarding the projects in the initial phase of the expropriation process, namely the Reguengos CH and the Peral block, the necessary procedures

to begin the negotiation process have been completed. In the case of the remaining projects scheduled to start construction in 2022, we await the submission of the affected areas and respective buildings. Finally, in the case of the CH and Vidigueira block, the database on the owners of the buildings listed in the land registry was prepared.

Regarding the projects in the final phase of the expropriation process, we should highlight those related to the Morgavél and Fonte Serne water supply and the Évora, Viana, Cuba-Odivelas hydraulic circuits and their respective blocks.



SPECIAL PROJECTS

Noudar Nature Park (PNN)

The PNN arose following the acquisition of Coitadinha estate by EDIA in 1997, with the aim of developing on this property a project to compensate for the loss of habitats at the level of cork oak forest ecosystems, riparian galleries and Mediterranean scrublands induced by Alqueva. The natural values present on the estate, namely the cork oak forest, justified its acquisition and its inclusion in the Natura 2000 Network. The project is based on the principle that the use and activity promote the conservation of the territory and recreates the agricultural activity at Coitadinha estate, respecting the practices and traditions of the region. EDIA's mission is to ensure that this space, with unique characteristics, is maintained and valued.

During the year 2021 several structured activities took place according to the defined plan, covering the different areas of the Park. However, due to the epidemiological situation caused by COVID-19, during this period, the tourism exploitation activities were reduced.

Regarding the agro-forestry exploitation, it is worth highlighting, among other activities carried out in terms of forest management, the audit for the renewal of the Forest Stewardship Council (FSC) certificate, the felling of dry holm oaks and the 2021 fire prevention campaign, with the selection and hiring of 4 watchmen.

The procedure for "external consultancy to support the annual monitoring of the GFS and PEFC (2022) certificates" was also awarded.

In livestock farming, the conclusion of the 2020-2021 montanha, the acquisition of organic feed and hay, and the repair of some fences should be noted, while in game management, the 2021 hunting calendar was published.

Within the scope of agricultural management, the annual fertilization of aromatic and fruit trees and of some crops was carried out, as well as the sowing of fauna crops (marsh grass). A start has also been made on clearing firebreaks and some farming and irrigation work has been carried out, and an application has been prepared and submitted for operation 3.2.2 of PDR 2020 ("installation of photovoltaic panels"). Also noteworthy is the transfer of pastureland from the Parque das Juntas (2021-2022 Campaign).

During this period, the Park was also awarded the Sustainable Forest Management certificate, allowing it to use the Programme for the Endorsement of Forest Certification (PEFC) brand and seal on all its products.

During 2021, the capture of wild rabbits to study levels of haemorrhagic fever infection continued and, with regard to the environment, the actions related to the projects LIFE MONTADO, POSEUR - LINX2020, INTERREG V-A Spain-Portugal (POCTEP) - PRO-IBERLINX, as well as the PDR2020 project - Operational Groups - OakRegeneration, continued. Work also began on implementing the project for the PDR2020 application for action 8.1.3 "Prevention of forests against biotic and abiotic agents".

Due to the pandemic contingencies, holiday camps and school visits did not take place, however, within the scope of the "Alqueva goes to School" project, information was sent about the educational offer of PNN for the 2021-2022 school year.

Within the scope of routes and signage/territory, the new "3 Moinhos" route was recognised, and the preparation of the Signage Plan for the new "PNN_MetNature" route was also awarded. In this area, we should also highlight the Air Force exercise, under the aegis of the European Defence Agency (EDA) and as part of its Helicopter Exercise Programme on 24 June.

Given the pandemic context in force throughout last year, it is worth mentioning the offer of 5 vouchers of 2 nights, starting in April, for health professionals on the front line in the fight against the pandemic.

Another highlight during this period was the drafting of a technical assistance contract for organic production methods (EDIA-ACOS).

The following table shows the records for the period under analysis and comparison with the same period in 2020. However, it should be noted that, due to the pandemic situation, the park was closed from the beginning of the year 2021 until April 5th and, in the year 2020, only overnight stays and meals were recorded in some periods of the semester.

	2021	2020
Overnight stays	2 452	2 006
Visitors	82	598
Meals	3 787	3 202

Notes: during the year 2021 the PNN only opened its doors to visitors in the last quarter. .

Table 15: Tourism and hotel operating indicators - NLP



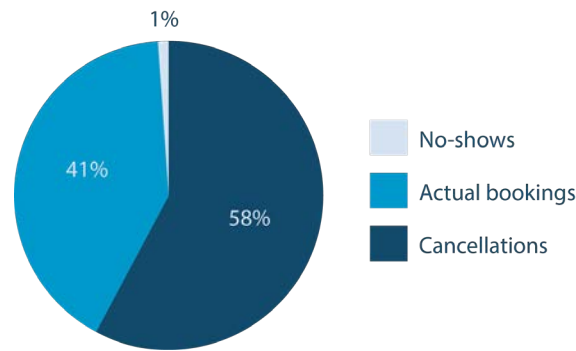
Several indicators related to the activity in the tourism area of the PNN are also presented, where a comparison is made between the year 2021 and the year 2020:

Indicators	2021	2020
Average Daily Rate per Room	73,48 €	68,15 €
RevPAR (average return per room unit)	21,88 €	12,75 €
Guest Satisfaction Rate through Booking	9	9,31
No. of Cancelled Bookings	733	954
No. of Complaints	0	0
% of guests over the number of employees (7 employees of the Tourism Team – high season)	11 676,2	7 016,8
Average Revenue per Guest	49,21 €	44,86 €
No. of Posts (Facebook + Instagram)	286	126
No. of School Visits	2	2
No. of Research/University Visits	6	12

Table 16: Miscellaneous tourism area activity indicators

In relation to the activity in the booking platform, the following graph also shows the actual bookings and cancellations verified in the 2021 financial year. It can be seen that the value of cancellations reached, similarly to last year, a high percentage which is justified by the context experienced this year.

BOOKINGS THROUGH BOOKING 2021



Graph 4: Booking 2021/PNN

In 2021, the PNN continued to be promoted on specialised web platforms and networks, with a view to publicising this project, emphasising the external visibility of the Park, using qualified publicity and promotion as the preferred vehicle.

Luz Museum

Built between the Aldeia da Luz and the shores of the Alqueva lake, and open to the public since 2003, the Luz Museum is a place of culture, art, memory, and modernity. It was created as an interpretative space for the profound changes which have taken place in this territory as a result of the appearance of the Alqueva dam and the submergence of the old Aldeia da Luz. As an important cultural space in the Alqueva region, it offers a range of activities for the enjoyment of local identity, stories, and landscapes. In May 2010 it joined the Portuguese Network of Museums (RPM), responsible for accreditation and qualification in the museological area – the Luz Museum in the Directorate-General of Cultural Heritage.

In the period under review, immediately stands out the closure of the Museum to the public during the first quarter of 2021, following the EDIA COVID-19 Contingency Plan. Its reopening took place on 6 April.

With regard to exhibition activities, the “Memória aldeia da Luz” (“Luz village memory”) exhibition was on permanent display in the water room, as well as several interactive digital tables. As temporary exhibitions, the exhibition “Território de Alqueva: da transformação à modernidade” (“Alqueva territory: from transformation to modernity”) and the exhibition ‘sustentar’ (‘support’) 2021 were on display in the memory room. In the Luz room, various exhibitions were on display:

- until 30th May, the exhibition “Expressão da Paixão” (“Expression of Passion”), by Zevi;
- until 8 August, the exhibition “Leveza” (“Lightness”), by Carine Figueiras;
- until 17 October, the exhibition “A Arte da Terra” (“The Art of the Earth”) by Duarte Botelho; and
- until 23 January 2022, the exhibition “Branca e Pura transmutação” (“Pure White Transmutation”) by Teresa Carepo

In order to expand its activities abroad and maximize its projection and dissemination to a wider and more distant public, the travelling exhibitions include the exhibition “38º 21” N0 7º 24 “O Castelo da Lousa” (“The Castle of Lousa”), at the PO.R0.S – Museu Portugal Romano (Roman Portugal Museum) in Sicó (inaugurated on 28 October 2020), as well as the exhibition “O cortiço” (“The tenement”), at the headquarters of EDIA, in Beja, and the exhibition “Nos caminhos de água” (“On the waterways”), at the Moura Municipal Museum until 25 July and then at the Regional Wine Museum, in Redondo, where it was on show until the end of the year.

Throughout the year, the Museum publicised its activities and exhibitions via email and also continued to send news and publicise its initiatives through the newsletter. The “Foto da nossa memória” (“Photo of our memory”) was published monthly in the various social networks of Luz Museum.

New Merchandising products were acquired for sale in the Museum shop, such as postcards, posters, and photo of Luz magnets.

Within the scope of communication and platforms, the permanent promotion of the activities carried out and to be carried out at the Museum, as well as its spaces and experiences, continued. At this moment, the most used social network, in addition to the Museum's website, to publicise its events and activities, is its Facebook page (<https://www.facebook.com/MuseudaLuz>). About a year ago, approximately, two more platforms for

dissemination and communication to the public were created, in order to share exhibitions and activities of the museum, through *instagram*: *Museu_da_luz* and *linkedin*: <https://www.linkedin.com/showcase/museu-da-luz>.

The table below shows the number of publications in recent years:

	2021	2020	2019	2018	2017
Facebook posts	122	119	85	86	74

Table 17: Luz Museum indicators - publications

In 2021 there was a decrease in the number of visitors in relation to the same period in the previous year, as shown in the following table, justified by the closure of the Museum, as mentioned above.

	2021	2020
Visitors	7 112	9 282

Table 18: Luz Museum indicators - visitors



The table below shows some indicators verified at the Museum between 2015 and 2021:

	Entries	Employees	Visitors / Staff	Average Visitors per Day
2015	8 354	5	1 671	23
2016	6 665	4	1 666	18
2017	7 744	4	1 936	25
2018	7 461	4	1 865	24
2019	9 938	5	1 988	32
2020	9 282	5	1 856	26
2021	7 112	5	1 422	20

Table 19: Miscellaneous indicators - Luz Museum - year-on-year change

The Residencies programme at Luz Museum aims to offer creators and researchers the possibility to spend some time in isolation, in a tranquil

environment and in a unique landscape. As a consequence of the pandemic, there were no applications in 2021 for this programme.

	2021	2020	2019	2018	2017
Residences	0	5	6	4	12

Table 20: Indicators for the Residencies Programme - Luz Museum

Finally, we would like to highlight the evidence of the Museum in the RTP 1 programme - "Aqui Portugal ", in which the Director of the Museum was interviewed.

Geographical Information Systems and Cartography

EDIA is able to provide innovative products and services in the field of production of geographic information, being associated with projects involving the production of cartography, topography, geodesy, and land registry. Its Cartography Centre has been certified according to ISO 9001:2008, by the certifying body Portuguese Association of Certification (APCER), since January 2010, and during the year 2021 the actions to maintain the Quality Management System in accordance with this standard continued.

The production of altimetry continued after the production of orthophotos (based on the 2019 photogrammetric project of the Development's area of influence), the geodetic monitoring of the various EFMA dams, as well as the execution of topographic surveys for various areas of the Company.

During this period the maintenance of the Quality Management System in accordance with the ISO 9001:2015 Standard continued, and the external APCER audit was carried out.

Finally, it should be mentioned that the development of the cooperation model with the local authorities in EFMA's area of influence has allowed EDIA to support them in the production of geospatial information for the Territorial Management Instruments, which include the approval of Cartography 1:10,000 and 1:2,000, with the Directorate General of the Territory (DGT). In this period the cooperation projects with the municipalities of Beja and Aljustrel are still ongoing.

With regard to geographic information, it is worth highlighting, during this period, the recalculation

of the EFMA cultural allocations for 2020 and the entry into production of the new version of the registration management system, resulting from the renewal of all the basic technology. This renewal ensures compatibility with current web technologies and modern browsers, as well as speeding up the development of new functionalities. This system is the basis for the registration of irrigators, irrigated crops, and consumption for the invoicing of conservation and exploitation fees.

	2021	2020
Annual Air Coverage (ha)	0	0
Total Monitoring of Dams and Reservoirs (no.)	22	22
Half-annual (no.)	18	18
Annual (no.)	4	4

Table 21: Geodetic monitoring

Also noteworthy is the completion of the survey collection system in the field, through the QField application, integrating the information collected in EDIA's central database. At this moment, EDIA's technicians are autonomous in collecting this information, being able to prepare the surveys in the office, contact farmers in the field and collect the necessary information on tablet, and again in the office integrate this data and proceed with its analysis.

In terms of Geographic Information Systems, the control of irrigated areas in EFMA through satellite imaging stands out, in order to complement the information contained in the registration forms for irrigation, as well as the work done in the identification of precarious consumption enabling its communication to irrigators.

Also of note is the creation of a new process for surveying environmental issues in the field using

GIS technology, cross-referencing alphanumeric information with geographical location, using tablets.

Other Services Rendered

With regard to the provision of services to the Municipality of Aljustrel, contacts and negotiations were made with interested parties in the priority buildings for the two contracts for the provision of services (Expansion of the Aljustrel industrial area and Ervidel business area). Documentation was also collected to prepare the valuation reports of the plots of land required for the expansion of these areas.

Within the scope of the services provided for Águas de Santo André, S.A (AdSA), the new methodology adopted by ADSA was analysed for the easement process required for the Pipeline between the

Morgavél Water Treatment Plant and the Monte Chãos Reservoir. Plans were also prepared and compiled, identifying the plots to be intervened, for each of the five construction contracts, and by building.

The characterisation of new plots of land was carried out and the respective evaluation reports and drafts of new compensation proposals were prepared.

The information made available regarding the Aljustrel Bypass project was also analysed.

At the request of START – SINES TRANSATLANTIC RENEWABLE & TECHNOLOGY CAMPUS, LDA, a proposal was presented for the valuation of 6 properties (totalling about 1,500 ha), located in the municipalities of Sines and Santiago do Cacém, parishes of Sines and Santo André.

SUPPORT STRUCTURE

Information Systems

From an organisational point of view and with regard to information systems, this year was marked by the entry into production, on 18 March of a new document management software and intranet at EDIA.

The implementation of the new document management software, as it is not a technologically simple process, and involves a significant collective effort in terms of logistics and redesign of information flows, constitutes a turning point for the Company, not only from an organizational point of view, but also in terms of business management.

A second phase is planned for this process which, among other issues, will encompass the interconnection with various EDIA systems and the project for the implementation of electronic invoicing, which is underway.

During the first semester, data from the meteorological stations was integrated in NAVIA, allowing the analysis and cross-checking with other data from other systems relevant to the management of the Development.

Also noteworthy is the loan of 64 computers to entities in Beja, and a start has been made to the process of acquiring new computer equipment to

replace those that are currently in use, which are more than 6 years old.

During the fourth quarter, the implementation of the obligations arising from the law 65/2021 regarding IT security began. The procedure to centralise the various irrigation systems into a single system was adjudicated, allowing maintenance costs to be reduced and security to be increased.

The electronic invoicing and SNC-AP projects continued and the procedure for contracting fax, printing and copying services was launched.

Highlight for the award of the procedure for supply, installation, and configuration of computer equipment at server level, allowing EDIA to equip some servers with Windows 2019 and allowing the replacement of equipment that was obsolete.

On the other hand, we continued to monitor the works in progress, in terms of technical specifications of equipment and configurations of the various computer systems.

Promotion of irrigated land

EDIA, as the driving entity for the agricultural and agro-industrial development of Alqueva, has the purpose of promoting irrigation in the area of influence of EFMA. Thus, throughout the year 2021, despite the contingencies required due to the pandemic situation experienced, it continued the possible contact with representatives of farmers' groups, monitoring and providing information to potential investors in various areas of investment, as well as field visits with individuals and various national and foreign companies. Through interaction with customers, the registration of areas transacted in the Development continued to be carried out.

Regarding decision support systems, the dissemination of the Sistema de Apoio à Determinação da Aptidão Cultural (Support System for Determining Cultural Suitability) (SISAP) was maintained, as well as the provision of results to users and potential investors. EDIA also provides farmers served by the Alqueva infrastructures, free of charge, with the support tool *Portal of the Irrigator*. During this period it is worth highlighting the development of the Irrigator's Portal 3.0



project, under the "Smart.Agri.Hubs" application, through which the module for the Vigia hydro-agricultural use was developed. In parallel, the Portal's enhancements were also completed, as well as its app.

During the period under review, the work "Sustainable Alqueva" was developed, which is based on a partnership EDIA/CONSULAI financially supported by a community application managed by the latter entity. A benchmarking of existing indicator systems was carried out, as well as an integration work with the information available from EDIA on these issues in its area of influence. A webinar on these matters was also held, involving the project team, university teachers and farmers, which allowed to validate the need for this work and point out clues for its development. A report was prepared, identifying for the environmental, economic/productive, and social referential areas, as well as the various components and indicators for each of these. Finally, a computer platform integrating the indicator systems of these components was developed. A weight was attributed to the various indicators and a pilot analysis was carried out on several farms in order to assess the effectiveness of the benchmark. At the beginning of next year, an "in situ" analysis will be made on the various farms included in the pilot.

It should be noted, on the other hand, that, by Ministerial Order, EDIA was commissioned to prepare a "National Irrigation Prioritisation Study for the period 2020-2030", under which all actions relating to the development of public irrigation in the country (new irrigation, conservation, and modernisation) were listed, characterised, and classified, so that the political decision maker can take decisions regarding their prioritisation. During the period under review, a large part of the texts of this work were prepared, and a survey of the actions to be carried out within the scope of

the rehabilitation and modernisation of irrigation perimeters was also carried out. It also contributed to the identification and characterisation of new irrigation areas. In this context, several contacts and field visits were made with stakeholders.

The "2020 Irrigation Campaign Report" was also carried out, having EDIA's stakeholders as its main recipients. This report presents a set of indicators that reflect the sustainability of the agricultural component, the main figures and facts that occurred in the 2020 Irrigation Campaign and an analysis of the main trends observed in recent campaigns. The "Main Operating Indicators of EFMA 2020" report was also prepared, which includes the theoretical calculation of the cost of water, incorporating data from the 2021 Investment Plan update, in order to bring this calculation closer to the reality of EFMA's operation, and its comparison with the existing tariff system, as well as the "Study of Energy Consumption in the 2020 Campaign", which analyses the energy costs at the end of the secondary irrigation network, the energy consumption in pumping stations of the primary and secondary irrigation networks.

At the end of the year, the "Alqueva Agricultural Yearbook" was prepared, which systematises all the technical-economic information regarding the main agricultural crops during the 2021 Irrigation Campaign. This report also includes relevant information on the agricultural sector as well as testimonials from representatives of the main agricultural sectors in the region.

Letters were also sent to the beneficiaries of Alqueva, with the consumption values, per crop, for the 2020 Irrigation Campaign. In these documents estimates were also presented for the crops in question, taking into account the base values for each of the weather stations, as well as the average consumption values achieved for EFMA in

the year 2020. The farmer was thus able to compare his actual consumption against these reference values, giving him an idea of the irrigation efficiency to be used.

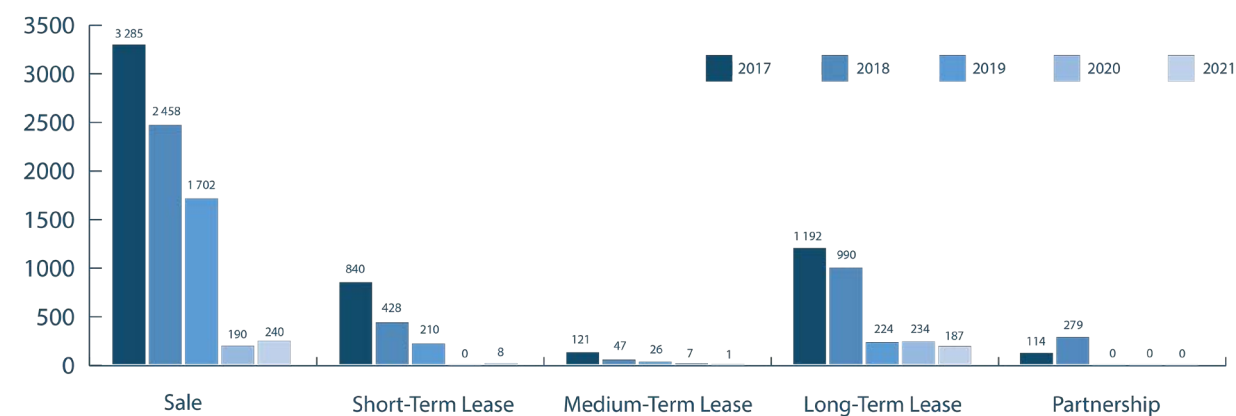
The provision, at the beginning of each month, to Alqueva irrigators of a monthly summary with a set of meteorological variables relevant to their agricultural activity, with a weather balance of the previous month, was another activity carried out in the period under review. The variables in question are the accumulated monthly precipitation (monthly and since the beginning of the agricultural year), accumulated monthly evapotranspiration and the average value of maximum and minimum temperatures. Each beneficiary received this information for the weather station (or stations) in the catchment area of its agricultural holding. The weather stations concerned are owned and managed by the Centro Operativo e de Tecnologia de Regadio (Irrigation Technology and Operations Centre) (COTR). Precipitation data from EDIA managed udometric stations will be added to the above information.

Also noteworthy is the participation in the preparation of the application for the RegAAC project – “A Decision Support System for Better Adapted Irrigation to Climate Change”, which aims to develop and implement an operational system of indicators and sustainable agricultural practices in different climate change scenarios, where EDIA participates as the managing entity of a Hydroagricultural Development, and with the involvement and monitoring of the holdings of ten EFMA irrigators, who volunteered to join the project.

In order to better understand the typology of its customer and thus act more efficiently and effectively, EDIA continued the process of collecting and systematising information (CIEFMA – Commercial), by conducting surveys of beneficiaries (irrigators and non-irrigators) of the irrigation perimeters in operation.

From this analysis it can be seen in the graph below that the transacted area, over the last few years, has decreased considerably.

EVOLUTION OF TRANSACTED AREA (ha) BETWEEN 2017 AND 2021



Graph 5: Transacted area 2017-2021

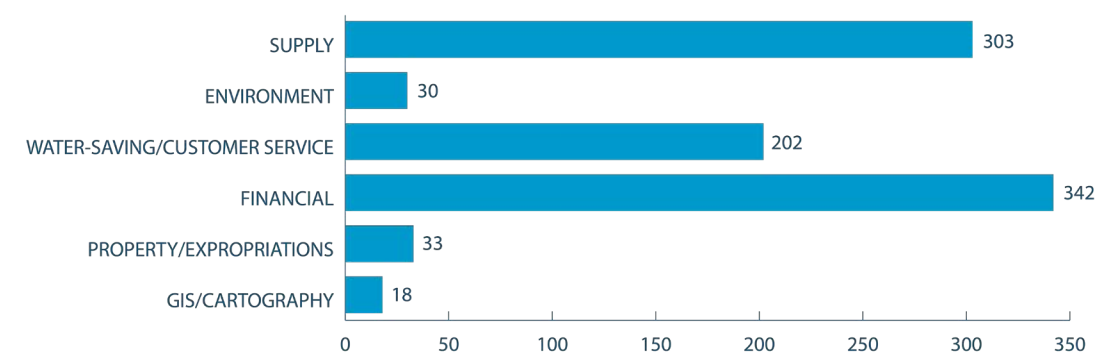
During 2021, and within the contingencies in force, the company continued to support the beneficiaries of the various perimeters in the so-called “natural” land consolidation, trying to identify the plots adjacent to their own, in order to increase the exploitation area. In this context, contact has been maintained with the Departamento Florestal do Instituto Superior de Agronomia (Forestry Department of the Higher Institute of Agronomy) (DFISA), in order to understand the applicability of agroforestry systems in the EFMA smallholding. The aim will be to publicise and promote this agricultural system to the smallholding of Alqueva, as an alternative to traditional cultivation methods.

In 2021, the contacts made by customers with the company were recorded in the customer

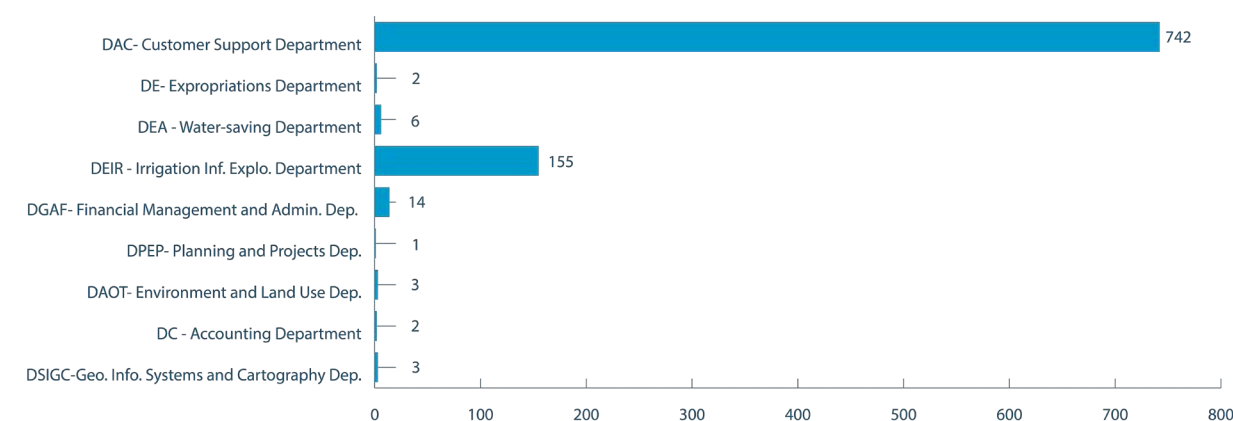
management tool, C4Hana Service Cloud. These records, called tickets, have the objective of obtaining a total view of the customers, as well as offering a better quality in the attention of the service provided.

This year, a total of 928 tickets were recorded. Regarding the tickets created by category, it appears that the supply, customer support and financial areas are the categories that recorded the highest number of occurrences. Regarding their attribution to the department that answered the customer, the Customer Support Department and the Irrigation Infrastructure Operation Department stand out. Regarding the type of occurrence, the item that had more requests was the change of ownership and billing.

TICKETS PER CATEGORY - 2021



TICKETS PER EDIA'S DEPARTMENT - 2021





Graphs 6, 7 and 8: Tickets 2021

We continued to draw up lists of available owners, to be made available to all interested parties, companies, or individuals, with the aim of attracting partners.

During 2021 the “Report on the Evaluation of the Degree of Satisfaction of Alqueva Irrigators for the 2020 irrigation campaign” was prepared.

As in previous years, the National Land Exchange (BNT) was promoted, publicised, and made more dynamic among all the beneficiaries surveyed, banking institutions, representatives of farmers” groups and all agents with a relevant role in rural areas. In accumulated terms, and up to the end of the year, EDIA made available in the BNT, 249 properties (2,484 ha), of which 99 properties (1,088 ha) were transferred, and 128 properties (835 ha) remained in the exchange.

	Buildings Made Available		Transferred Buildings		Removed Buildings		Total Buildings Advertised	
	No.	Area (ha)	No.	Area (ha)	No.	Area (ha)	No.	Area (ha)
Accrued Total	249	2 484,04	99	1 087,96	22	561,34	128	834,74

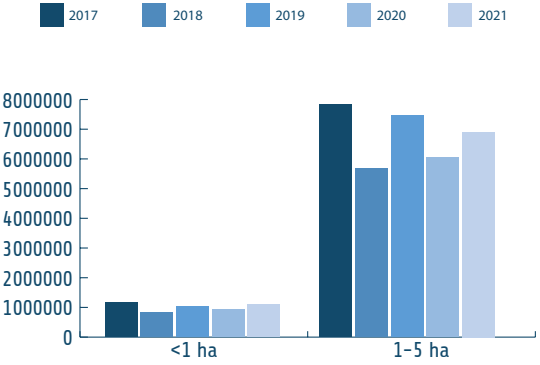
Table 22: National Land Exchange data

The following tables and charts show the distribution of water distributed by class of area enrolled.

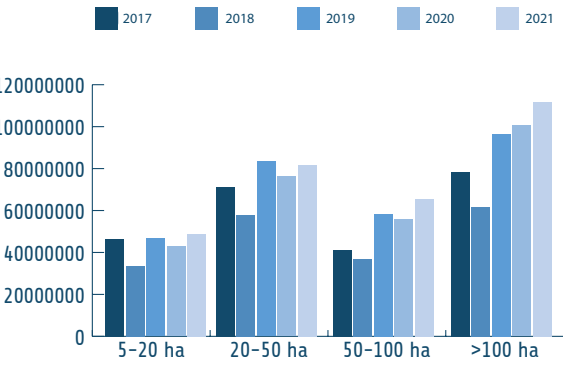
Consumption m³	Class of registered areas					
	<1	1-5	5-20	20-50	50-100	>100
2017	1 161 391	7 828 807	46 466 344	71 203 094	41 226 047	78 377 665
2018	834 858	5 679 747	33 614 337	57 979 097	36 800 268	61 696 523
2019	1 032 723	7 452 312	46 652 072	83 389 497	58 228 648	96 584 899
2020	922 272	6 043 484	42 881 920	76 185 167	55 964 221	100 566 361
2021	1 088 091	6 842 837	48 671 075	81 342 352	66 774 711	111 382 172

Table 23: Water consumption by class of area enrolled

WATER CONSUMPTION (M³) PER CLASS OF AREA (<1 HA AND 1-5 HA)



WATER CONSUMPTION (M³) PER CLASS OF AREA (5 TO 20 HA, 20 TO 50 HA, 50 TO 100 HA, >100 HA)



Graphs 9 and 10: Water consumption by class of area enrolled

Below is a table with the figures for the distribution of water to the most representative crops.

Crop	Consumption (m³) per crop	
	2021	2020
Super Intensive Mature Olive Grove	81 143 459	56 810 465
Intensive Mature Olive Grove	68 393 416	69 967 674
Corn	38 089 484	33 002 636
Young Almond	33 549 299	29 718 458
Mature Almond	26 498 227	11 688 246
Super Intensive Young Olive Grove	14 063 277	23 449 253
Wine Grape	5 790 185	6 337 141
Melon	4 843 260	5 030 055
Mature Walnut	2 677 716	2 059 994
Intensive Young Olive Grove	2 308 534	1 454 321

Note: Consumption is broken down because there are hydrants that have more than one associated crop, so the sum of the parcels may not correspond to the total annual consumption.

Table 24: Water consumption per crop

Public Relations and Communication

In terms of public relations and communication activities, the 1st quarter of 2021 was extremely conditioned by the measures implemented as part of the fight against the pandemic caused by the Coronavirus (COVID-19), namely with the general lockdown experienced until the end of the first quarter. The limitations imposed confirmed the suspension and/or postponement of many of the activities planned for this period, while CIAL, the visitor reception centre in Alqueva, was forced to close. In the second quarter of the year, a partial and phased lifting of the restrictions imposed by the measures implemented was verified, and these did not apply to all municipalities in the same way, with the municipality of Moura, where the CIAL is located, being one of those that had waited the longest for the deconfinement. For this reason, it remained closed during the last week of April and first week of May.

Despite the constraints, some of the planned activities were maintained although adapted to the

new circumstances, highlighting the participation in Ovibeja/2021 with a virtual stand. On the other hand, EDIA participated with an in-person and virtual stand at the National Agriculture Fair in Santarém, held between 9 and 13 June. Highlight for the presence of Alqueva at the main entrance of the fair, with an image of the dam to mark the theme, as well as an example of a photovoltaic plant on the lake in the fairgrounds.

Another highlight was the participation, with a stand, in the “AgroIn” event, held in Lisbon on 30 June.

Also noteworthy is the participation, with a stand in person at Agroglobal, in Valada do Ribatejo/ Santarém, held between 7 and 19 September. This event also included a Live-Streaming round table, broadcast live on EDIA's social networks on 7 September.

Between 16 and 19 September, EDIA participated with a stand at the Agrobraga Exhibition, in Braga, at the same time as a *Road Show* was held there.

The last quarter of 2021 was a mix between the easing of restrictive measures under COVID_19 and the limitations imposed from December onwards. This variation in positioning allowed the resumption of some planned and previously postponed activities.

In terms of exhibitions, we highlight the participation, shared with Portugal Fresh, in Fruit Attraction, held in Madrid between 5 and 7 October, and the participation, with a stand, in Fehispor, held between 4 and 7 October, in Badajoz, Spain. Both participations took place under the internationalization project of Alqueva, object of a protocol with NERBE/AEBAL.

It should be noted, during the period under review, the production and distribution of 40 press releases, which increases the rate of media penetration, while publicising EDIA's activities and initiatives, as well as the publication of 4 newsletters and the production of the newsletter for October 2021.

Similarly, the *intranet was maintained*, and the daily update of the online Revista de Imprensa was maintained. On the other hand, the collaboration in the updating and maintenance of EDIA's institutional website, www.edia.pt, was maintained, with its management and daily update, as well as the adaptation, validation, and regular insertion of contents of the Company's areas.

It should also be noted that in the 1st quarter, the EDIA website had an average of over 30,000 monthly views, and in the 2nd quarter this figure was exceeded with 32,000 views. In the 3rd quarter an average of 29,237 monthly views were recorded, and in the 4th quarter the monthly views reached 27,888. The pages for “*Monitoring*”, where the Daily Bulletin with the quotas and storage capacity of the Alqueva and Pedrógão reservoirs is available,

“*About Us*” and “*Land Search*”, were those that recorded the highest number of hits, respectively. On average, the EDIA website recorded a figure of over 24.4% of regular users (Returning visitors).

Still on this subject, the regular management and updating of the Company's *linkedin* and *instagram* and daily updating of *facebook* should be noted, with a total of 288 posts published [*facebook* (181), *instagram* (58) and *linkedin* (49)].

In this period, and with regard to Facebook, 156,246 people were reached, generating a total of 38,163 interactions, with 3,156 clicks on the page, 814 comments, 1,519 shares and 13,609 reactions. On Instagram there were around 2,350 reactions and, on *linkedin*, around 2,650.

On the other hand, the technical production of the public webinar event on the topic “*Good Agricultural Practices for Functional Biodiversity Management and Ecosystem Services*”, held on 12 March, on the Teams platform and broadcast directly on EDIA's *youtube* channel, should be highlighted. It should also be noted that this event was attended by the Minister of Agriculture, Maria do Céu Antunes, and was the subject of a significant internal mobilisation of employees.

On 14 December the workshop “*Águas para reutilização na rega*” (“*Water for reuse in irrigation*”) was broadcast in streaming on the Facebook page and Youtube channel of EDIA, having registered, afterwards, about 350 views.

During the year, films continued to be produced for the social networks, including the annual institutional film, as well as the Company's availability to its customers in time of the pandemic.

Highlight for the videos “Alqueva Sustentável” (“Sustainable Alqueva”), “Desova de Pimpões na albufeira de Alqueva” (“Spawning of Pimps in the Alqueva reservoir”), “Charcos Temporário em processo de restauro” (“Temporary Ponds in the process of restoration”) and “Guia de Boas Práticas Agroambientais” (“Good Agro-Environmental Practices Guide”) “Charcos temporários mediterrânicos, ecossistemas a preservar” (“Mediterranean temporary ponds, ecosystems to be preserved”; “Linaria Ricardoi e Olival”, “Flora Local em Alqueva” (“Local Flora in Alqueva”), “Monsaraz Windsurf Festival”, “Alqueva, campanha de rega de 2021” (“Alqueva, irrigation campaign 2021”), Estação Elevatória dos Álamos (“Álamos Pumping Station”), “Reservatório da Espinheira” (“Espinheira Reservoir”), “O que se produz em Alqueva – pêssegos” (“What is produced in Alqueva – peaches”) and “O que se produz em Alqueva – damascos” (“What is produced in Alqueva – apricots”, among others.

In the videos of the series “Memories of Alqueva”, several films on this theme were published, with emphasis on the inauguration and construction of the Alqueva dam, bridge construction and construction of the EFMA primary network, “Archaeology in the old village of Mourão” and the “Inauguration of the Portel/Moura connection over the crowning of the Alqueva dam”.

On 9 July, the highlight was the production and realisation of the event “Fotovoltaico Flutuante: Oportunidades e Desafios” (“Floating Photovoltaics: Opportunities and Challenges”), with online broadcasting on EDIA’s Facebook and YouTube channels.

Fulfilling the tradition that has been maintained since 2002, the 20th edition of the exhibition “Arte numa perspetiva diferente” (“Art from a different

perspective”) was held in December. This is an EDIA initiative in collaboration with the Beja Cerebral Palsy Centre, in which different paintings by the Centre’s users are exhibited, seeking to stimulate their intellectual development, strengthening their integration and social inclusion, and increasing their self-esteem. The exhibition was inaugurated on 3 December, World Day of Persons with Disabilities.

During 2021, the management and maintenance of the Company’s document collection continued to be ensured through the Documentation Centre (CD), as well as the response to internal and external requests made to the Company, especially by telephone, email, and the provision of requested items, many of which also through the online bibliobase platform.

Following what was already mentioned, the CIAL was one of the facilities most affected by the confinement, being closed until the first week of May and limited to 5 simultaneous visitors on the remaining days. Even so, around 1,448 people were received at the CIAL during the period in question.

The number of usual visitors was slightly lower than last year, with a total of 1,448 people received.

	2021	2020
Visitors	1448	1500

Table 25: CIAL data

Finally, on 10 December, the visit of the Minister of Agriculture to the Évora block was broadcast live on the social networks of the respective event.

Patrimony Management

Following the expropriation processes inherent to the implementation of EFMA infrastructures, and at the request of previous owners, EDIA acquired a set of plots of land adjacent to the expropriated areas and whose viability or usefulness was questioned. These plots are called surplus land and are made available by EDIA for lease or sale.

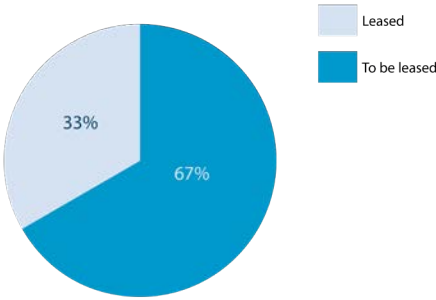
At the end of 2021, EDIA’s rural assets comprised 363 properties, of which 216 properties (195 ha) were available for lease, of which 40 (65 ha) were leased (32 fully and 8 partially). Of the 147 non-rentable buildings (439 ha), 9 (9 ha) are allocated to the works and the remaining 138 (430 ha) are under direct management.

	Total Area of Surplus		Area of Leasable Surplus		Area of Non-Leasable Surplus	
	Leasable	Non-Leasable	To be Leased	Leased	Allocated to the Work	Direct Management
2020	306	329	219	87	9	320
2021	195	439	130	65	9	430

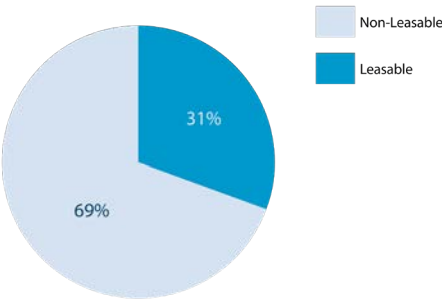
Table 26: Surplus Area – EFMA



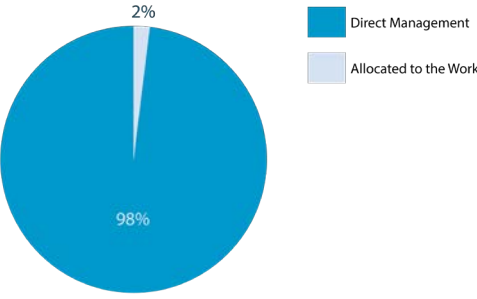
TOTAL AREA OF SURPLUS



TOTAL AREA OF SURPLUS



AREA OF NON-LEASABLE SURPLUS



Graphs 11, 12 and 13: Surplus area 2021

In this period there was a reduction in the total revenue obtained from the management of rural property, compared with the same period of the previous year, as can be seen in the table below.

	2021	2020
Revenue	33 358	62 785
Costs	6 057	5 500

Table 27: Analysis of Revenues/Costs Rustic Property - EFMA

Within the scope of the management of rural property, new public notices of sale of surplus items were drawn up, as well as the signing of leasing contracts for EDIA’s surplus items. Work was completed on firebreaks and forest clearing at the Piteiras e Defesa de São Brás estate.

Within the scope of rural property management, tasks related to the monitoring of the implementation of the Projeto de Compensação de Quercíneas (Compensation Project for Quercine Trees) were carried out at the Monte da Serra estate (parish of Ervidel, municipality of Aljustrel), namely at the level of the implementation of the irrigation system and fencing.

Throughout this period, the monitoring of the AlquevaPark Project also continued, with several working meetings taking place.

Regarding the public tender for the provision of maintenance and improvement services of forested areas in the reservoir of São Pedro, Piteiras estate, Esteves estate and Corte da Lameira estate, the delivery of proposals on the platform was verified.

During the period under review, cleaning work began in the area around the buildings at Bravos estate, the Alqueva Water Treatment Plant, and the

area around the CIAL buildings. Spring/summer firebreaks were also carried out at Bravos estate, Defesa de S. Brás estate, Ratinhos estate and Pardieiros estate.

On the other hand, and within the scope of urban heritage, various maintenance and repair activities were carried out at the PNN, EDIA’s headquarters building, Luz Museum (Julioa Estate), and at other locations such as Alqueva (CIAL), and the URSA Unit warehouse at the Abóbada estate.

On 31 December 2021, EDIA’s fleet consists of 81 vehicles, of which 43 are light passenger vehicles, 34 are all-terrain vehicles and 4 light merchandise vehicles (van). There are also 2 tractors to support the PNN’s agricultural activity. It should be noted that the vast majority of vehicles are hired under the Operational Vehicle Rental mode.

Sustainability in the Economic, Social and Environmental Domains

Through its action, EDIA continues to contribute to the adequacy of its medium and long-term strategic objectives to the great purpose of EFMA, the regional development, in the economic and social aspects of the Development, as an instrument of intervention in the region, seeking the enhancement of natural resources, the revitalization and boosting of economic activity and the settlement of the respective populations.

The Sustainability Report 2020 was also made available on the EDIA website. This document aims to measure, disseminate, and report on the performance of the Company to all those who relate to us with a view to sustainable development.

The year 2021 continued to be marked by the adaptation of some actions and initiatives to the new circumstances arising from the reality generated by the global pandemic caused by COVID-19. In this period, EDIA continued the monitoring work of the various support measures in progress, disseminating in the Company, and among stakeholders, entities likely to be of interest to the Development.

EDIA also continued to cooperate in different areas and projects with the “*Incubadora de Inovação Social do Baixo Alentejo*” (“*Baixo Alentejo Social Innovation Incubator*”). During this period it is worth highlighting EDIA’s participation, as a partner entity, in two applications submitted within the scope of the regional notice opened for “Portugal Inovação Social – Parcerias para o Impacto”, namely the application “*Alfaiataria do Cérebro*”, promoted by the Portuguese Multiple Sclerosis Society and the application “*Alenculturas*”, directed to migrants, promoted by SPIRA, and also the public presentation of EDIA’s Social Responsibility policy, via Radio Voz da Planície, and through streaming transmission on IISBA channels, on January 18.

In the field of social responsibility, EDIA continued to participate in the two platforms of which it is a partner entity Local Social Action Council (CLAS) and “Plataforma Supra-Concelhia do Baixo Alentejo” (“Supra-Council Platform of Baixo Alentejo”).

EDIA continues to be one of the main driving forces of the OPTA Alentejo Platform – Spot Organization in Current Times. This platform has as its main objective the constitution of a “solidarity space” that, through networking, aims to complement and

provide support and assistance to specific target audiences directly or indirectly affected by the situation experienced in Portugal as a result of the pandemic caused by COVID-19 (trade and tourism, microCompanies, agricultural entrepreneurs, culture, people on lay off, etc.). The balance sheet of the activities of this partnership shows that 205 actions were carried out, 74 people/families and 54 companies were helped.

The actions resulting from the protocol signed with the Associação Transfronteiriça Lago Alqueva (Alqueva Lake Cross-border Association) (ATLA), as well as the development of the PROVERE Programme (Strategy + Alqueva), of which EDIA is a partner entity, continued to be monitored, particularly in terms of the implementation of the 4 anchor projects and 13 complementary projects selected, as well as the ongoing implementation of the Plano de Marketing e Guia do Investidor (Marketing Plan and Investor’s Guide) (tourism and agro-industry sectors).

The implementation of the application POCTEP – Interreg – “*Rotas e Desenvolvimento Cultural*” (“*Routes and Cultural Development*”) was also monitored, namely at the level of the launch of actions such as the merchandising and routes line (intelligent signage and construction of an Android and iOS application with audio guide for the 16 riverside villages of Alqueva), leaflets and brochures and interactive map for territorial promotion.

Under the “*Alentejo Azul*” project, ADRAL launched, in the 2nd quarter of 2021, a consultation for the provision of coaching services and bootcamps, to be developed in the 3rd quarter of 2021 with

young people and researchers with innovative projects around the theme “water” from the Polytechnic Institutes of Beja and Portalegre, and the University of Évora. It should be remembered that EDIA is one of the partners of the Alentejo Azul Project, and that the bootcamps are planned to be held in two municipalities covered by EFMA. Also under this project, it is also worth highlighting the presentation of the 2nd progress report of the *Estudo de Caracterização do Setor da Água e Recursos Hídricos no Alentejo* (“*Characterization Study of the Water Sector and Water Resources in the Alentejo*”).

At the level of intermunicipal communities, EDIA continued to monitor the work and represent EDIA in meetings, by digital means, with the partners of CIMBAL, CIMAL and CIMAC.

In this period, the “*Projeto Alqueva vai à Escola*” (“*Alqueva goes to School Project*”) continued its interaction with schools and students in a limited way, given the new period of confinement experienced in Portugal. Within the scope of the partnership with Beja Municipal Council on the “*Projeto Interrail do Conhecimento*” (“*Interrail of Knowledge Project*”), a manual was produced that has reference to the school offerings of various entities in the municipality of Beja, including those of EDIA, which include activities that can be carried out online.

In terms of interaction with higher education, lastly, within the scope of the “*Projeto Eco – Escolas*” (“*Eco-Schools Project*”) (promoted by the IPB), the online presentation on 22 March – World Water Day – for IPB students and teachers, of the Alqueva Project, called “Alqueva – Água, Fins

Múltiplos e Sustentabilidade” (“Alqueva – Water, Multiple Purposes and Sustainability”).

Throughout this period EDIA was represented at the BCSD, with participation in various meetings and working groups [Biodiversity Working Group (Act4nature initiative) and the Carbon Neutrality Working Group], and the “EDIA Sustainability Report” for 2020 was also prepared.

During this period, it is also worth highlighting the monitoring of investment intentions in EFMA’s area of influence, namely in the area of Tourism (floating houses), and in the area of Logistics, and the pharmaceutical sector (Project that intends to use the airport infrastructure in Beja, Sines Port, as well as the assembly of some products from the pharmaceutical industry in the region).

EDIA also continued to monitor the Dark Sky Alqueva Project, and the distinction obtained is worth highlighting: “Europe’s Leading Tourist Destination 2021 – Global 100”. This distinction is another recognition that contributes to strengthen Dark Sky® Alqueva, its territory, its Network of Official Partners and the Portugal Network. The importance of rural and nature destinations, whose working basis is based on sustainability, but also on differentiation and innovation, had already been strengthened in 2020, but in view of the current context, their role is even more fundamental for the recovery of tourism. The pandemic ended up accentuating and accelerating trends that were already emerging since 2017

CHAPTER 1 - FINANCIAL STATEMENT

INVESTMENT AND FINANCING

VENTURE INVESTMENT

Having been approved by the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) the loans that enable the construction of the 2nd Phase of EFMA infrastructure at the end of 2017, in April 2018 the financing contracts between the Portuguese State, the EIB and the CEB were signed, to support PNRegadios. Also in 2018, the necessary procedures for the start-up of this new phase of the Alqueva Development were initiated.

On 29 April 2019, the 1st Notice to submit PNRegadios applications was published and the year 2020 was marked by the start of construction

of the first infrastructures belonging to the 2nd phase of EFMA.

The total investment made during the year 2021, not including the capitalisation of structure and financial charges, reached the amount of EUR 27,912.50 thousand, bringing the total investment in EFMA from 1995 to the end of 2021 to EUR 2,428,852.65 thousand.

The following table shows the EFMA investments made until the end of 2021, systematised “by Programme”.

thousand EUR

PROGRAMMES	YEARS											TOTAL
	Until 2016	2017		2018		2019		2020		2021		
		1st Phase	2nd Phase	1st Phase	2nd Phase	1st Phase	2nd Phase	1st Phase	2nd Phase	1st Phase	2nd Phase	
Alqueva Dam	609 665,51	-106,85		287,39		9,50		64,93		33,77		609 954,25
Alqueva Hydroelectric Power Station	130 944,62											130 944,62
Pedrógão Dam and Power Station	87 790,89	56,18		0,18		20,49		856,34		1 145,76		89 869,84
Alqueva-Alamos Pumping Station	43 654,39		14,79		3 169,84		2 884,94		3 502,05	10,09	1 024,19	54 260,30
Primary Network	687 399,18	1 095,94	313,69	7,12	250,98	250,40	1 979,20	461,15	14 776,11	120,50	15 309,16	721 963,42
Secondary Network	777 912,35	-33,64	419,84	244,23	530,06	131,54	3 252,67	497,66	16 434,04	145,59	10 086,47	809 620,83
Regional Development	11 816,44	55,23		19,00		132,55		136,80	42,40	36,97		12 239,39
Total	2 349 183,38	1 066,87	748,33	557,93	3 950,88	544,47	8 116,81	2 016,88	34 754,60	1 492,67	26 419,83	2 428 852,65

Table 28: Investment carried out “by Programme” until 2021-EFMA

FINANCING OF THE VENTURE

On 31 December 2021, the Share Capital of the Company, fully subscribed and paid up, amounts to EUR 913,158,750 (made up of 182,631,750 shares), 100% owned by the Portuguese State, through the DGTF (Directorate-General for the Treasury and Finance). The variation occurred in 2021 (EUR 52,823,790 and 10,564,758 new shares) results from the following share issues:

- **4 March 2021**
 - a. Issue of 8,128,941 new shares, with a nominal value of EUR 5 each, paid up in cash.
 - b. The amount subscribed and paid up was EUR 40,644,705, broken down as follows
 - ◊ EUR 30,644,490 – Financial needs; and
 - ◊ EUR 10,000,215 – Investment PNRegadios.
- **8 June**
 - c. Issue of 900,000 new shares, with a nominal value of EUR 5 each, paid up in cash.

- d.

The amount subscribed and paid up was EUR 4,500,000, broken down as follows:

◊

EUR 4,500,000 – Investment PNRegadio.
- e.

Issue of 1,535,817 new shares, with a nominal value of EUR 5 each, paid up in cash.
- f.

The amount subscribed and paid up was EUR 7,679,085, broken down as follows:

◊

EUR 4,178,085 – Financial requirements; and

◊

EUR 3,501,000 – Investment PNRegadios.

milhares de EUR

	Until 2016	2017	2018	2019	2020	2021
Share Capital	464 341	64 960	280 233	29 275	21 525	52 824
Capital Increase to Cover Losses			33 473			
Community Funds	1 229 310	11 152	234	359	2 736	320
PIDDAC (Central Administration Investment and Development Expenditure Programme)	151 974	1 052			371	
Medium/Long-Term Loans	682 791	-44 959	-313 424	-38 364	-9 958	-26 116
Bonds	450 529	-6 739	-306 739	-6 739	-6 739	-6 739
EIB	74 588	-6 685	-6 685	-31 624	-3 219	-26 377
DGTF	157 674	-31 535				7 000
Short-Term Loans						
Total	2 528 416	32 206	517	-8 729	14 674	27 028

Table 29: EFMA financing

Alqueva showed, once again, that it works as designed, with an enormous capacity to regulate flows, damming water when nature provides it, so that it can be used when the region needs it most.

José Pedro Salema



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CHAPTER 1 - FINANCIAL STATEMENT

OUTLOOK FOR 2022

Given the objectives assigned to EDIA in terms of management, maintenance, and conservation of EFMA, during 2022 a series of daily activities will continue in order to optimise the functions carried out by the Company, namely in terms of providing a quality service to customers.

Thus, the activities related to the maintenance and conservation of the infrastructures of the primary and secondary networks and their equipment will continue, as well as the operation of the equipment of the safety and operating bodies of the dams, in order to verify their permanent operability, the supply of ecological flows and, whenever necessary, the carrying out of discharges.

The operation of the Development's infrastructure will continue in order to ensure the transfer of water between reservoirs and reservoirs, and guarantee continuity and quality of supply to customers of the secondary network and other end customers.

In order to comply with the quality and efficiency of its mission to operate the EFMA infrastructures, EDIA will continue to have multidisciplinary teams working daily in the field to ensure the full operation of the system, with direct contact with farmers based on a policy of proximity, seeking solutions that ensure the efficient use of water.

In recent years EDIA has been focusing on energy solutions that are environmentally friendly and ecologically compatible with a process of sustained development that is desired for the region, thus giving its example through the materialization of photovoltaic solutions. For 2022, EDIA intends to continue with the maintenance and operation actions of the various photovoltaic and mini-hydro plants of the Development, as well as the implementation of new projects in this area, namely the Projeto Fotovoltaico de Alqueva (Alqueva Photovoltaic Project) that includes the installation of 50 MW next to the main pumping stations of the primary network.

Also, within the scope of its competences, EDIA will ensure the permanent promotion and coordination of the implementation of environmental monitoring programmes related to the different aspects and stages of EFMA, namely at the level of the state of surface water, the state of groundwater, fauna, flora and vegetation, soils, and agro systems. Throughout 2022, the ongoing work in terms of environmental monitoring will be continued. A weighting of the different results will also be carried out in order to identify and systematize new mitigation measures for the areas identified as relevant.

As a driving force for the agricultural and agro-industrial development of Alqueva, EDIA aims to promote irrigation in the area of influence of EFMA. Based on the knowledge of farms in the region, this Company monitors and supports new agricultural projects, as well as expectations and intentions regarding the practice of irrigation. Crossing this information with the support systems for the best cultural options for the region, EDIA has the ideal conditions to provide a service of considerable added value to the beneficiaries of the Development and potential investors. Thus, and similarly to what has occurred in previous years, we plan to continue a series of activities related to the development of irrigation associated with the Project, with actions that promote its potential use.

At the beginning of the year, it is planned to present the remaining applications to be framed within the scope of the 3rd PNRegadios notice, in order to conclude the 2nd phase of EFMA, namely:

- Reguengos Hydraulic Circuit and its block – 2nd phase;
- Vidigueira and Block Hydraulic Circuit – 2nd phase;



- Hydraulic circuit and Póvoa-Moura block;
- Hydraulic Circuit connecting the Monte da Rocha reservoir and the Messejana irrigation block;
- Reinforcement of the Penedrão pumping station;
- Reinforcement of the Estácio pumping station;
- Reinforcement of the Penedrão pumping station – left bank;
- Reinforcement of the Laje pumping station; and
- Reinforcement of the Pedrógão 1 and 3 pumping stations.
- Reinforcement of the Álamos pumping station; and
- Remodelling of the Lage pumping station.

It is also planned to move ahead with the construction of the Alqueva Observation and Command Post in 2022.

The environmental monitoring of the primary and secondary network contracts is also planned, with the consequent development of audit reports to be submitted to the AIA (Portuguese Environment Agency) Authority. In terms of heritage, the survey and rescue of historical and cultural heritage will continue, including impact minimisation measures that are developed before and during the works, in order to enhance the value of the finds, contributing to safeguard collective memory.

Therefore, in 2022 it is planned to continue with the projects submitted under the 1st call for proposals, which have not yet been completed, and to start the works included in the 3rd call for proposals.

The following contracts are expected to be completed next year:

- Connection to the Morgavél water supply system;
- Viana do Alentejo hydraulic circuit;
- Construction contract for the Viana do Alentejo main adductor and its block;
- Reinforcement of the Álamos pumping station slab;



CHAPTER 1 - FINANCIAL STATEMENT

INFORMATION REQUIRED BY LAW

EDIA's Board of Directors normally meets on a weekly basis, and 51 meetings were held in 2021, of which the following deliberations are highlighted:

JANUARY 2021

- The launch of a prior consultation procedure was authorised for the conclusion of a contract for the construction of a roof for the Álamo Pumping Station's electric pump groups;
- The contract works to remodel the remote management systems with radio communication in the Serpa and Ervidel hydro-agricultural facilities were awarded;
- The execution of the estimated expenditure for the construction contract of the Observation and Command Post and Interpretation Centre - Alqueva Dam - was authorised;
- The use of balances from community funds - National Photovoltaic Counterpart was authorised;
- The expenditure for the repairing and cleaning the sill and fixed parts of the Torre sluice gate and dredging the surroundings

of the water intake in the reservoir of the Penedrão dam was approved;

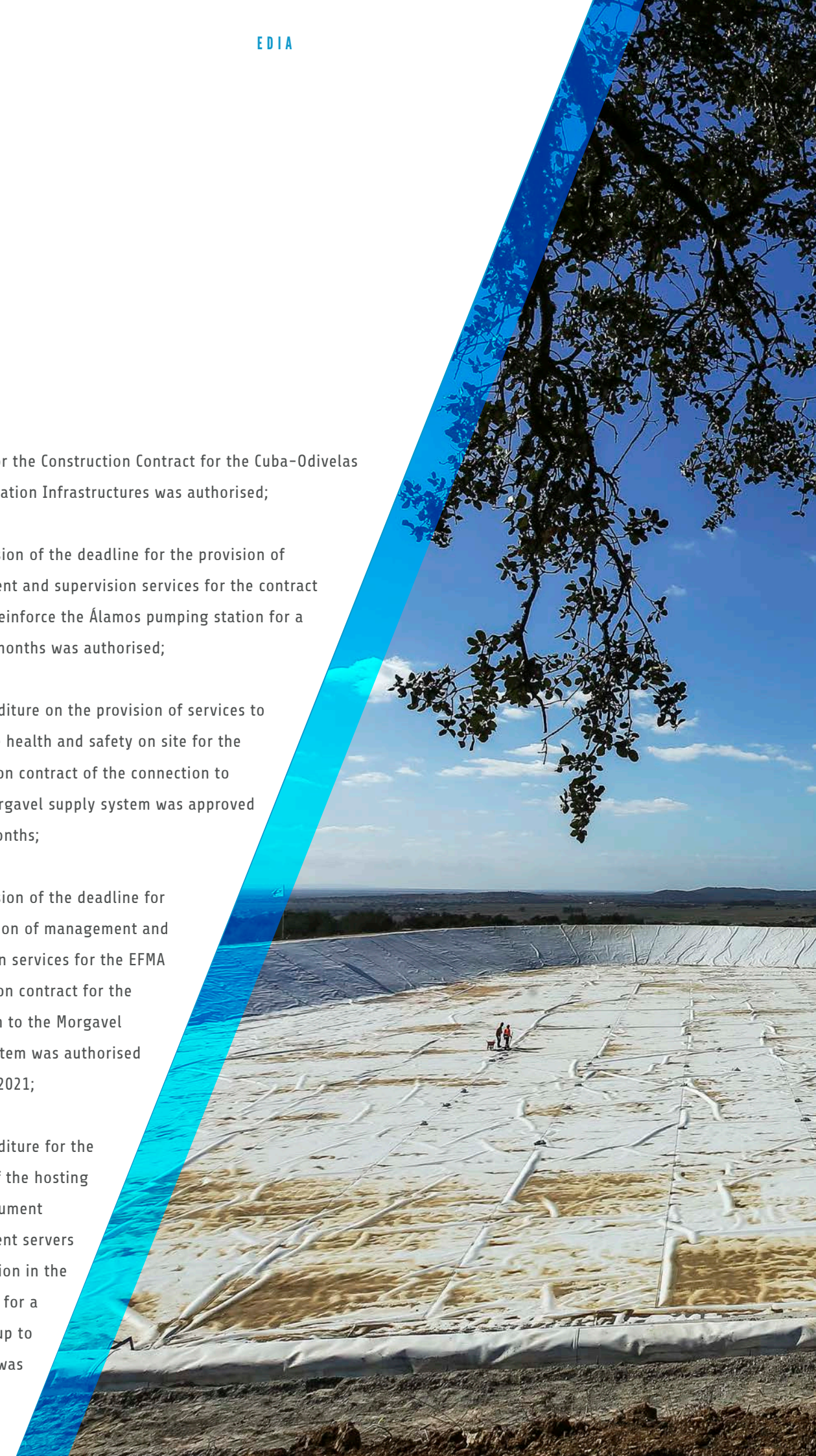
- The contract was awarded to replace the lower bearing of the alternator of group 1 of the Alvito Hydroelectric Power Station;
- The maintenance of the values of the Alqueva tariff system for 2020 for the 2021 campaign was approved.

FEBRUARY 2021

- The estimated expenditure for the installation of fencing and Canadian crossings (Zona J application - POSEUR) was approved;
- The expenditure on the placing of side panels at zebra mussel disinfection stations was approved;
- The expenditure on the work to overhaul the equipment of the disinfection stations was approved;
- The extension of the deadline for the provision of Management and Supervision

services for the Construction Contract for the Cuba-Odivelas Block Irrigation Infrastructures was authorised;

- The extension of the deadline for the provision of management and supervision services for the contract works to reinforce the Álamos pumping station for a further 5 months was authorised;
- The expenditure on the provision of services to coordinate health and safety on site for the construction contract of the connection to EFMA's Morgavel supply system was approved for two months;
- The extension of the deadline for the provision of management and supervision services for the EFMA construction contract for the connection to the Morgavel supply system was authorised until July 2021;
- The expenditure for the renewal of the hosting of the document management servers in production in the meo cloud for a period of up to 6 months was approved;



- The estimated expenditure for the preventive and corrective maintenance services for Schneider Electric motor drives was authorized;
- The service provision regarding Avifauna in the EFMA Secondary Irrigation Network - Characterisation of the Reference Situation for the Cuba-Odivelas, Reguengos, Viana do Alentejo and Évora Irrigation Blocks (2021-2022) was awarded;
- The report of the irrigation campaign - 2020 | Stakeholders was approved, and its dissemination was determined;
- The expenditure for the cleaning the Faro reservoir was approved;
- The expenditure for the renewal of the Host Software PNN 2021_HHS was approved;
- The execution of the estimated expenditure with the provision of maintenance services for the EFMA primary network infrastructure was authorised;
- The contract for the construction of a roof for the electric pump groups of the Álamo pumping station was awarded;
- The estimated expenditure for the phytoremediation intervention around the Álamos reservoir near Peral estate was authorised;
- The contract for the supply, assembly, and preventive maintenance of flowmeters in the EFMA primary and secondary networks was awarded;
- The estimated expenditure for the monitoring services of surface water resources of the EFMA secondary irrigation network - 2021/2022 was authorised;
- The document reviewing the plan for the prevention of risks of corruption and related infractions for 2020 was approved;
- The estimated expenditure for the birdlife monitorization in EFMA reservoirs (2021-2022) was authorised;
- The expenditure for monitoring flora and vegetation in the hydraulic supply circuit to the Odivelas dam and By-Pass (2021) was approved;
- Works were awarded for the installation of fencing and Canadian crossings as part of the Zona J river restoration project;
- The expenditure for the increasing the enclosed area of the URSA warehouse at the Abobada estate was approved;
- The estimated expenditure for the acquisition of services to prepare the "Local Action Plan for the Control of Aquatic Invasive Alien Species for the Guadiana Basin" under the application "Guadiana Zero" to the Environmental Fund was authorised.

MARCH 2021

- The estimated expenditure for the provision of temporary work services for DIAP (Regional Criminal Investigation and Prosecution Departments) was authorised;

- The terms of the extension of EDIA's participation in the REUSE project to the year 2021 were approved;
- The contract was awarded for soil mobilisation, planting and staking as part of the phytoremediation project at Peral estate, in the surroundings of the Álamos reservoir;
- Authorisation was given for the estimated expenditure for the contract works to widen the Ferreira-Penedrão canal;
- The estimated expenditure for the provision of services for cleaning flowmeter probes was authorized;
- The estimated expenditure for the provision of preventive and corrective maintenance services for the frequency inverters installed at the pumping stations of Cuba Este, Cuba Oeste and Vidigueira at the Alvito Pisão hydro-agricultural operation and pumping stations 1 and 2 at the Monte Novo hydro-agricultural operation was authorised;
- The estimated expenditure for the maintenance and improvement services of forested areas at the São Pedro reservoir, Piteiras estate, Estevais estate, Corte, Lameira e courela das Sesmarias estate was authorized;
- The estimated expenditure for the provision of temporary work services was authorised, with a view to temporarily reinforcing the PNN's staff in the agroforestry area;
- The global strategy for the requalification and renaturalisation of several EFMA water bodies was approved;
- The extension of the deadline for the provision of management and supervision services for the EFMA construction contract for the connection to the Morgavel water supply system was approved;
- The estimated expenditure of supplying a system for measuring pressure drop in the intake grille of the Álamos pumping station was authorized;
- The estimated expenditure for the SAP services of administration, parameterisation and application of corrective and evolutionary improvements was authorised;
- The estimated expenditure for the hiring, on a temporary basis, of resources for the supervision of primary network infrastructures was authorised;
- The contracting of services to observe and control the functionality and safety of the Alqueva and Pedrógão dams and the specific study for the diagnosis and operation of the seismic observation system during 2021 was approved;
- The estimated expenditure for the personal security services at the Álamos pumping station and EDIA's head office building was authorised;
- The contract was awarded for the provision of temporary work under an open-ended employment contract for staff in the agricultural and livestock sectors;
- The provision of preventive/corrective maintenance services to Schneider Electric motor drives in the secondary irrigation



network was awarded;

- The works for the preparation of the Local Action Plan for the Control of Aquatic Invasive Alien Species for the Guadiana River Basin were awarded.

APRIL 2021

- The estimated expenditure for the intervention in the Penedrão Water Treatment Plant was authorised as a result of the vibration level reached in the last 2020 irrigation campaign;
- The service provision for “Monitoring of Avifauna in the EFMA Secondary Irrigation Network (2021-2022)” was awarded;

- The service provision for the execution of the “Monitoring of Surface Water Resources of the EFMA Secondary Irrigation Network – 2021/2022” was awarded;

- The execution of the estimated expenditure with services rendered for alarm central connection and guard tour service was authorized;

- The estimated expenditure of supplying a system for measuring pressure drop in the intake grille of the Álamos pumping station was authorized;

- The EDIA’s participation in the application to the Environmental Fund – Supporting a New Environmental Culture under ENEA 2020 was approved;

- The estimated expenditure for the “Monitoring the Abundance of Wild Rabbit and Carnivorous Mammals_2021” was authorised;

- The estimated expenditure for the “Monitoring the Noise Environment during the EFMA operating phase” was authorised;

- The terms of the partial suspension of the work on the Cuba-Odivelas block irrigation infrastructure construction contract were approved;

- The Report and Accounts – 2020 Financial Year and Corporate Governance Report – 2020 were approved;

- The execution of the estimated expenditure with the provision of cost optimisation consultancy services was authorised;

- The report on the work relating to the monitoring of cultural heritage located in EFMA reservoirs in the 2020 financial year was approved;

- The contracts for preventive and corrective maintenance services at the Alvito-Pisão and Monte Novo AH were awarded;

- The provision of temporary work under an open-ended contract for staff in the area of supervision of primary network infrastructures was awarded;

- The contract works to raise the Ferreira-Penedrão canal were awarded;

- The hiring of four vigilantes for the PNN as part of the 2021 fire prevention campaign was approved;



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- The “Alqueva 2020 Irrigators Satisfaction Survey” was approved, and its dissemination was proposed;
- The provision of services to produce and publish the 2020 Annual Report and Accounts were authorized.

MAY 2021

- The temporary work services for the area of environmental and property impacts were awarded;
- The proposed classification of EFMA dams under the “Dam Safety Regulation” was approved;
- The expenditure on the work carried out on the motor of unit 2 of the Álamos pumping station was ratified;
- The “Sustainability Report/2020” was approved;
- The purchase of a tractor for the URSA project was awarded;
- The EDIA’s data protection officer, and is also responsible for access to administrative and environmental information and the re-use of administrative documents was appointed;
- The payment of the co-participation charges for medium voltage networks, as stipulated in the “Regulations for Commercial Relationships in the Electricity Sector (connection of the Viana Pumping Station to the electricity network)” was approved;

- The estimated expenditure for the purchase of laptops was authorised;
- The “Activity Report – 1st quarter 2021” was approved;
- The statutes of the Associação Estação Biológica de Mértola (Association of Mértola Biological Station) [AEBM], and Eng. José Pedro Salema, as President of the Board of Directors, was appointed to sign the deed of constitution were approved;

JUNE 2021

- The rectification of the area proposed in the Vale de Gaio block rectification was approved;
- The appointment of “Energy and Resources Manager” was approved;
- The service provision for personal security at the Álamos pumping station and EDIA’s headquarters in Beja was awarded;
- The service of editing and translation of the 2020 Report and production of material for dissemination was awarded;
- The contract for the expansion of the Estácio filtering station was approved;
- The service provision for the alarm central connection and guard tour service was awarded;
- The proposal for the preventive removal of fish biomass in the Amoreira reservoir was approved;

- The Activity Plan and Budget 2021 in its revised version was approved;
- The amendment to the memorandum of association in accordance with point 2 of the shareholder’s “Unanimous Written Social Resolution” of 8 June 2021 was approved;
- The intervention works in the Penedrão EE as a result of the level of vibration reached in the last 2020 irrigation campaign were approved;
- The “Report on the Main Operating Indicators of EFMA | 2020”, in which the “Study of Energy Consumption in the 2020 Campaign” and the “Theoretical Calculation of Water Cost”, having been determined the internal disclosure of the document were included were noted;
- The rules for the performance evaluation to be carried out in 2021, relating to the year 2020, were approved;
- The estimated expenditure for the provision of management and supervision services for the construction contract for the Cuba-Odivelas block irrigation infrastructures was authorized;
- The formalisation of the Edoclink project closure procedures, the use and access permissions to the implemented document management system were approved;
- The expenditure for the hiring the team and means for transmitting the webinar “Floating Photovoltaic” was approved;
- The expenditure on the purchase of

information from the Sentinel 2021 platform was approved;

JULY 2021

- An extension of 91 days for the construction of the Évora hydraulic circuit and respective irrigation block for reasons not attributable to the contractor was granted, and, given the Contractor’s effort to finish the work on time, an extension at no cost to the Project Owner until 20 August 2021 was also granted;
- The contractor of the Cuba-Odivelas block irrigation infrastructures construction contract was awarded the right to the 1st restoration of the financial balance of the contract associated with the extension of the deadline by 105 days, until 15.04.2021;
- The contractor for the Cuba-Odivelas block irrigation infrastructure construction contract was awarded a 105-day extension to the deadline requested, with the contract ending on 29 July 2021, and also recognised the right to the 2nd reinstatement of the contract’s financial balance, for expenses incurred;
- The SAP Services of administration, parameterisation and application of corrective and evolutionary improvements were adjudicated;
- The estimated expenditure for the “Soil Monitoring in EFMA Irrigation Blocks – Zone B – Exploration Phase – 2021” was

authorised;

Situation – 2021” was authorised;

- The expenditure on the purchase of services to build a database for the “Regadio 2030 Project” was approved;

AUGUST 2021

- The EDIA’s participation in the “Consortium for the Water Mobilisation Agenda” was approved;

- The deadline extension for the provision of Health and Safety coordination services for the Morgavel CH construction work was approved;

- The estimated expenditure for the provision of specialised consultancy services in the electromechanical, hydroelectric, and hydro-mechanical areas of the primary network contracts was authorised;

- The contracting of the management and supervision services of the construction works to boost the power of the EFMA Álamos pumping station for a period of 7 months (3rd extension) was approved;

- The estimated expenditure for the provision of services to clean canals and reservoirs in EFMA’s primary infrastructures was authorized;

- The specialised consultancy services in the electromechanical, hydroelectric and hydromechanical areas of the primary network contracts were awarded;

- The contracting of the management and supervision services of the EFMA construction contract for the Morgavel water supply system until November 2021 (4 more months), maintaining the imputations and respective unit costs established in the contract was approved;

- The contractor of the EFMA construction contract for the connection to the Morgavel feeder system was granted a legal extension of the contract deadline until 11 June 2021 (7 more days) and an indemnity for indirect costs with the maintenance of the construction site;

- The contract was awarded for the creation of perimeter ditches and planting of phytoremediation around the Almeidas reservoir;

- The provision of temporary employment services was awarded on an open-ended contract basis for staff in the area of environmental and property impacts;

- The estimated expenditure for the renewal of maintenance services for the NAVIA software was authorized;

- The expenditure on the “Monitoring the Noise Environment during the EFMA operating phase” work was approved;

- The estimated expenditure for the “Soil Monitoring in EFMA Irrigation Blocks – Zone E – Characterisation of the Reference

- The contractor was recognised as having the right to restore the financial balance of the

contract for the construction of the Évora hydraulic circuit and respective irrigation block, for additional costs incurred through facts that are not attributable to it;

- The contracting of the management and supervision services for the construction of the Viana do Alentejo main pipeline and respective irrigation block for an additional three months, from September to November 2021, was approved;

- The proposal for action to define and regularise the situation of the quays in the Alqueva–Mourão and Juromenha reservoirs was approved;

- The estimated expenditure for the supply of parts for the repair of the variable speed drive of the motor of the electric pump group C of the Brinches pumping station was authorised;

- The award of the Navia software licensing and maintenance contract was approved;

- The service provision for “Soil Monitoring in EFMA Irrigation Blocks – Zone B – Exploration Phase – 2021” was awarded;

- The contract was awarded for the maintenance and improvement of forested areas at the São Pedro reservoir, Piteiras, Estevais, Corte, Lameira and Sesmarias estates;

- The supply, installation and configuration of computer equipment and software was awarded;

- The temporary employment services were

awarded on an open-ended contract basis to staff in the area of electrical and mechanical maintenance;

- The temporary employment services were awarded on an open-ended contract basis for staff in the area of environmental and property impacts;

- The EDIA’s participation as a partner company in the postgraduate course RESTORE– Ecosystem Restoration and Nature Based Solutions, by the Instituto Superior de Agronomia (Higher Institute of Agronomy), was approved;

- The service provision for the “Soil Monitoring in EFMA Irrigation Blocks – Zone E – Characterisation of the baseline situation – 2021” was awarded;

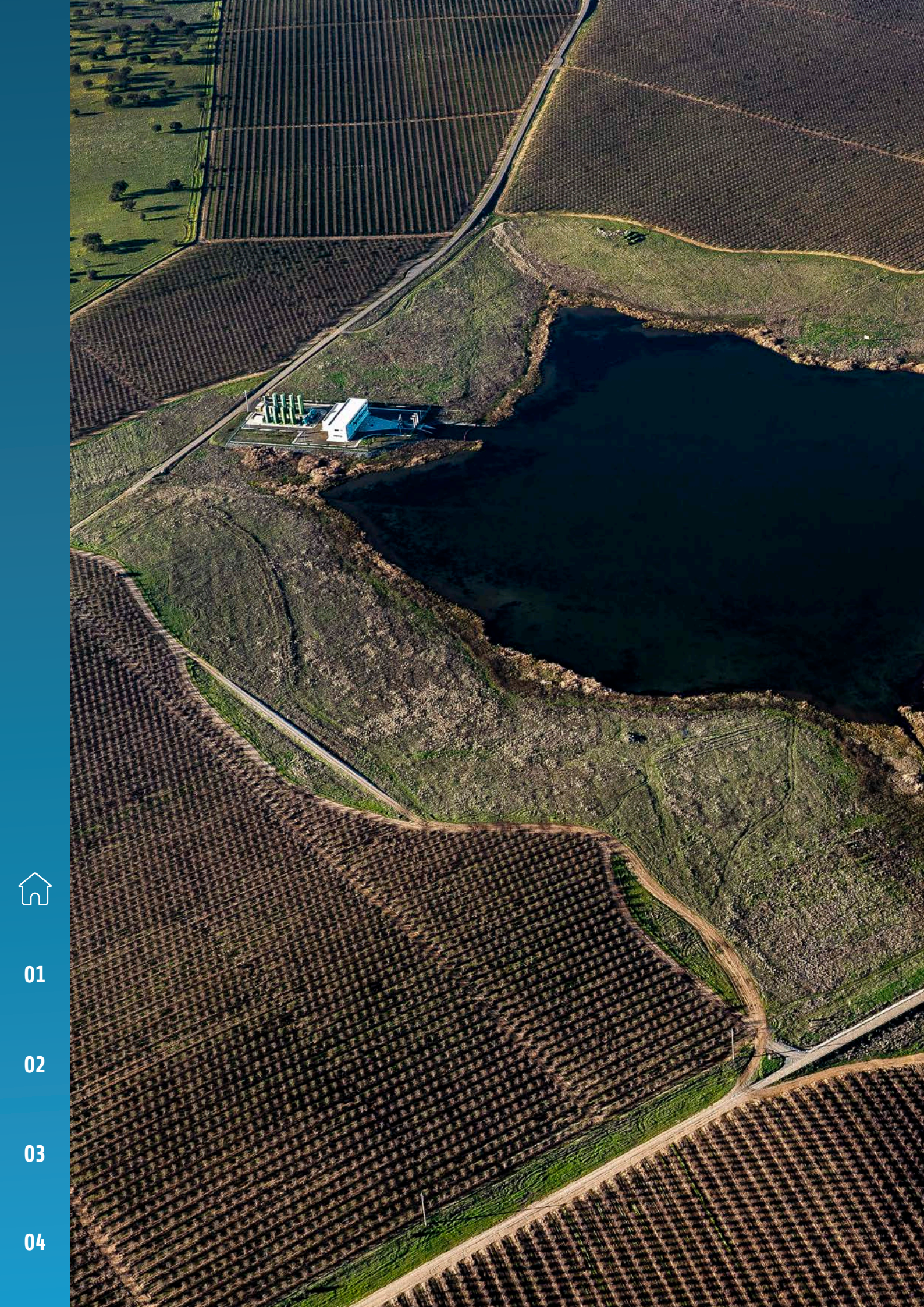
- A legal extension of the deadline for the construction of the EFMA connection to the Morgavel supply system until 21 May 2021 (an additional 82 days) and a gratuitous extension of the deadline until 4 June 2021 (an additional 14 days) was approved;

- The estimated expenditure for the contract for the treatment of joints and cracks in EFMA’s primary infrastructures was authorized;

- The estimated expenditure for repairing the sluice gates of the Álamos – Loureiro canal was authorized.

SEPTEMBER 2021

- The “Activity Plan and Budget for 2022” was approved;



OCTOBER 2021

- The amendment of Article 5 of the “Social Pact of EDIA (increase in EDIA’s Share Capital)” was approved;
- The proposal to renew GIS software maintenance was approved;
- The estimated expenditure for the supply and assembly of a cofferdam at reservoir R1 of the Roxo – Sado hydraulic circuit was authorised;
- The “Activity Report for the 2nd quarter of 2021” was approved;
- The estimated expenditure for the provision of preventive/corrective maintenance services for WEG motor drives, secondary irrigation network – EFMA, was authorised;
- The EDIA’s proposal to join the Call for Nature was approved;
- The supply of ISO VG46 mineral oil for various infrastructures of EFMA’s primary network was awarded;
- The “Report and Accounts for the 1st half of 2021” was approved;
- The provision of cleaning services for canals and reservoirs in EFMA’s primary infrastructures was approved;
- The contract works for the treatment of joints and cracks in canals of the EFMA primary network were awarded.
- The “Contractor Consortium (DST/DTE)” was granted a deadline extension for the construction of the Viana do Alentejo main pipeline and its block until 15 November 2021 at no cost to EDIA;
- The temporary employment services were awarded on a fixed-term contract basis for staff in the area of environmental supervision and spatial planning;
- Temporary employment services were awarded on an open-ended contract basis to staff in the area of management and maintenance of photovoltaic energy production infrastructures;
- The contract for the provision of copying, printing, scanning, and fax services was awarded;
- The estimated expenditure for the provision of services to alter the grating cleaning machines for the S4 and S5 siphon inlet works, the ER 12 regulation structure and the Pisão diversion of the Alvito–Penedrão canal, as well as alteration of the Pisão diversion grilles, was authorised;
- The temporary employment services were awarded on an open-ended contract basis to personnel in the field of electrical, mechanical, or electromechanical engineering for the “Irrigation Infrastructure Operation Department”;
- The contract was awarded to repair the sluice gates of the Álamos – Loureiro canal;
- The execution of the estimated expenditure

for the contract works for equipment in the Álamos pumping station was authorised;

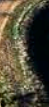
NOVEMBER 2021

- The execution of the estimated expenditure with the civil construction works contract for the Álamos pumping station was authorised;
- The expenditure for the “External Audit of the Quality Management System of EDIA’s Mapping Centre” was authorised;
- The estimated expenditure for the repair of the GP2 – 20HXB electric pump group installed at Pedrogão 3 was authorised;
- The estimated expenditure for the supply of a centralised solution for irrigation control was authorised;
- The estimated expenditure for the corrective maintenance services of the electric pump groups no. 1 and no. 2 of the Álamos EFMA pumping station was authorised;
- The estimated expenditure for the construction contract of the central leisure platform and respective outdoor spaces in Alqueva was authorised;
- The execution of the estimated expenditure with the acquisition of maintenance of photogrammetry software licensing was authorised;
- The estimated expenditure for the provision of corrective maintenance services for the motors of the main groups of the Álamo pumping station was authorised;
- The supply of the centralised solution for irrigation control was awarded;
- The presentation of a budget commitment request for a special credit to reinforce the expenditure and revenue lines of FF 713 was approved;
- The expenditure for the repair of the boat disinfection station against zebra mussels was approved;
- The construction contract for the observation and command post and interpretation centre – Alqueva Dam – was awarded;
- The granting of a legal extension of the execution period of 121 days for the Viana hydraulic circuit contract was approved, as well as a grace period of 63 days, i.e. without any costs for the owner, and the payment of the construction site costs associated with the period of the legal extension of the execution period was also approved;
- The supply and installation of equipment at the Álamos pumping station was awarded;
- The civil construction works contract for the Álamos pumping station was awarded;
- The contract was awarded for preventive/corrective maintenance services for WEG motor drives, secondary irrigation network;
- The estimated expenditure for the contracting of corrective maintenance services for the Pedrogão Left Bank pumping station equipment was authorised;

DECEMBER 2021

- The expenditure of framing the works of the users of the Occupational Activities Centre of the Beja Cerebral Palsy Centre for the Exhibition “Art in a Different Perspective – 20th Edition” was authorised;
- The Supply and Assembling of a Floodgate in Reservoir R1 of the Roxo – Sado Hydraulic Circuit was awarded;
- The document on the Evolution of Precariously Irrigated Areas was noted;
- The estimated expenditure for the purchase of a compost spreader to support the URSA project was authorised;
- The expenditure for the acquisition of copying/printing/fax services was awarded;
- The “Environmental Monitoring Bulletin” was approved;
- The estimated expenditure for the provision of services to repair the warning and alert system of the Alqueva dam was authorised;
- The contracting of management and supervision services for the construction work on the connection to the Morgavel water supply system was approved for December 2021 and January 2022, including the mobilisation of some resources in November 2001;
- The contract was awarded for metalomechanical services to change the grating and grille cleaning machines in the EFMA primary network infrastructures;
- The Activity Report for the 3rd quarter of 2021 was approved.
- The execution of complementary works in the construction contract of the Viana HS was approved;
- The service provision for the management and supervision of the construction contract for the observation and command post and interpretation centre – Alqueva Dam – was awarded;
- The “Regulations on Organisational Groups, Professional Categories and Wage Bands” were approved;
- The expenditure on the acquisition of translation services for the contents of the Alqueva application, under the scope of the Valorizar programme, was approved;
- The execution of the estimated expenditure with the works of recovery of slopes and retanha – Várzea Redonda – Zona J Project – POSEUR was approved;
- The expenditure for the supply of ladder cables under the Action Z – Environmental Fund project was approved;
- The expenditure on contracting health and safety coordination services for the construction contract for the EFMA Morgavel connection to the water supply system was approved;
- The contract was awarded for the repair of the GP2 – 20HXB electric pump group installed at Pedrogão 3 Water Treatment Plant;

- The procedure – self-monitoring of volumes of water abstracted and supplied from EFMA – was approved;
- The expenditure for the production of a mini-film for the project “Action Z – Combating zebra mussels in EFMA” was approved;
- A service contract was awarded to repair the warning and alert system for the Alqueva dam;
- The proposal to integrate each of the employees in the compensation levels already approved was approved;
- The estimated expenditure for the “Study of the Use of Chiroptera Habitat in the Area of Influence of the Póvoa-Moura Hydraulic Circuit and Respective Irrigation Blocks” was authorised;
- The estimated expenditure for the “Monitoring of Birdlife in EFMA Reservoirs (2022-2023)” was authorised;
- The expenditure on the acquisition of a platform for training in security awareness and prevention of phishing attacks was approved.



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CHAPTER 1 - FINANCIAL STATEMENT

AUTHORITY POWERS

By Decree-Law No 42/2007 of 22 February 2007, EDIA was given the following powers of authority:

- The powers, under the terms of the law, namely the expropriation code, to act as the expropriating entity of the immovable property and rights inherent thereto to be expropriated that are necessary for the pursuit of its social purpose;
- The right to use and administer the merchandise of the public domain of the state which are or will be assigned to the exercise of its activity;
- The powers and prerogatives of the State in relation to the protection, evacuation, demolition and administrative defence of possession of the lands and facilities that are allocated to it and of the works executed or contracted by it, and it may also, under the terms of the law, temporarily occupy

private land it needs for building sites, to store materials, to house staff and to set up offices, without prejudice to the right to any compensation that may be due.

Under the provisions of Decree-Law No. 313/2007. Under the provisions of Decree Law No. 313/2007 of 17 September 2007, which approved the bases of the concession granted by contract between the State and EDIA on 17 October 2007, EDIA holds, as concessionaire of the management, operation and private use of the public waterways domain allocated to EFMA, the powers of administration of that public waterways domain within the scope of its activity, the powers to grant titles regarding the abstraction of water for irrigation and electricity generation and also the powers to supervise its use by third parties, as well as the power to initiate, investigate and sanction administrative offences in this area.



CHAPTER 1 - FINANCIAL STATEMENT

FINANCIAL ANALYSIS

Profit and Loss Account

In this analysis, expenditure and income do not include the investment made in the Secondary Network, which is cancelled out by means of the variation in production (investment made in

the works forming part of the EFMA secondary network owned by the State with the exception of Infrastructure 12 and the Aldeia da Luz perimeter).

Thousand Euros

	2021	2020	Absolute Deviation	Relative Deviation
Costs	56 520	60 520	-4 000	-6,61%
Cost of Goods Sold/Consumed Materials	75	69	5	7,84%
Supplies and External Services	20 643	21 698	-1 055	-4,86%
Staff Costs	6 777	6 602	175	2,65%
Depreciation and Amortisation Costs	6 131	5 735	396	6,90%
Impairments	17 842	17 679	163	0,92%
Provisions	2 620	5 764	-3 143	-54,54%
Other Costs and Losses	274	163	111	67,98%
Financing Costs and Losses	2 129	2 765	-636	-23,01%
Income Tax	30	45	-16	-34,45%
Income	46 664	46 665	-1	0,00%
Sales	680	1 108	-428	-38,60%
Services Rendered	34 920	34 432	488	1,42%
Variations in Production Inventories	0	0	0	
Own Work Capitalised	1 718	1 649	69	4,17%
Operating Subsidies	289	565	-277	-48,92%
Impairment	337	0	337	
Other Income and Gains	8 720	8 911	-190	-2,14%
Net Result for Financial Year	-9 856	-13 855	3 999	-28,87%

Table 30: Profit and Loss Account

In 2021, EDIA had a negative Net Result of EUR -9.86 million, with a positive variation of EUR 4.00 million compared to the same period in 2020.

Expenses showed a decrease of EUR 4.00 million (-6.61%), compared with the same period of the previous year, essentially due to the following items:

- “External Supplies and Services” with a decrease of EUR 1.06 million mainly justified by the items of: 1) electricity which results essentially from the fact that the 1st half of the year was a very wet hydrological period and the full operation of the various infrastructures in operation, 2) Litigation and Notary fees explained by the charge of payment of the improvement fee as well as the charge for the payment of the tax.2) Litigation and Notary fees due to the cost of payment of the improvement fee, as well as the cost of payment of maintenance and operation

fees, are onus subject to registration under the terms and for the purposes provided for in the Land Registry Code, and therefore EDIA, as manager and concessionaire of the construction and operation of the Development, is obliged to promote the respective registration and 3) on the other hand, by the increase in the item of Conservation and Repairs, due to the greater number of occurrences of preventive and corrective interventions, and the increased complexity of some of these interventions;

- “Personnel costs” with an increase of EUR 0.18 million, mainly due to salary progressions and a reduction in absenteeism;
- “Provisions” with a decrease of EUR 3.14 million, justified by the application of IFRIC12 – Service Concession Arrangements to infrastructure in operation, by the change in the model for calculating the value of the provision (justified in point 20.2 of the notes to the financial statements); and
- “Financing costs and losses” with a decrease of about EUR 0.64 million (–23.01%), is justified by the fact that: 1) interest rates

are lower than the homologous period and 2) the loan with the EIB ended in March with a repayment in the amount of EUR 26.38 million, in addition to the repayments during the current year in the amount of EUR 6.74 million inherent to the loan in the amount of EUR 94.35 million.

In the particular case of income, it was found that overall, there is no significant difference, however, the items of:

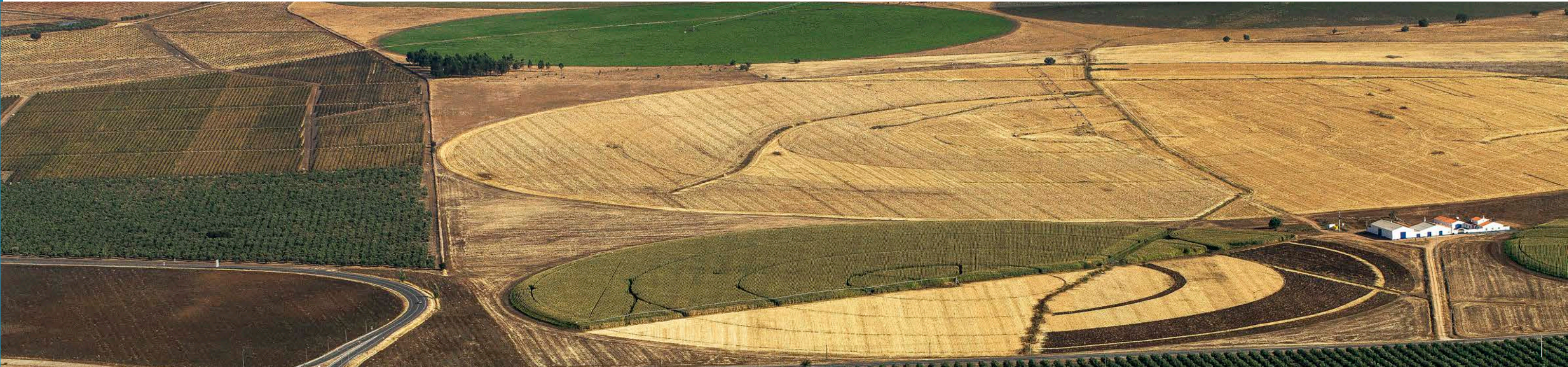
- “Operating subsidies” show a decrease in the amount of EUR 0.28 million (–48.92%), justified by the fact that fewer subsidies were received than in the previous year, and also because there were delays in the execution of projects or because the respective applications were not approved; and
- “Reversal of Impairment” in the amount of EUR 0.34 million, for the derecognition of impairment of accounts receivable from customers in the amount of EUR 0.29 million and derecognition of impairment for the cancellation of the financial stake that EDIA had in the company Lusofuel.

Balance

On 31 December 2021, EDIA has Net Assets of EUR 777.59 million, a decrease of about EUR 3.45 million compared to the end of 2020.

Thousand Euros				
Items	31/dez/21	31/dez/20	Absolute	Relative
Non-Current Assets				
Tangible Fixed Assets	14 073	13 307	766	5,76%
Investment Property	1 040	1 921	-881	-45,87%
Intangible Assets	321 443	325 669	-4 226	-1,30%
Financial Investments	277	277	0	0,00%
Other Accounts Receivable	175 956	181 966	-6 010	-3,30%
Captive Deposits	91	91	0	0,00%
	512 880	523 230	-10 351	-1,98%
Current Assets				
Inventories	13 833	24 985	-11 152	-44,63%
Customers	5 105	5 148	-43	-0,83%
Advances to Suppliers	6	14	-8	-56,93%
State and Other Public Entities	1 421	861	559	64,95%
Shareholders	0	0	0	-
Other Accounts Receivable	243 279	218 264	25 015	11,46%
Deferrals	290	110	180	163,17%
Cash and Bank Deposits	775	8 430	-7 655	-90,81%
	264 709	257 812	6 897	2,68%
TOTAL	777 589	781 043	-3 454	-0,44%

Table 31: Balance Sheet – Assets



This decrease resulted, essentially, from the following variations:

Non-current assets

- Decrease in “Intangible Assets”, by about EUR 4.23 million (–1.30%), essentially due to the depreciations recognised during the year, and
- Decrease of “Other Accounts Receivable” by EUR 6.01 million justified by the decrease of the balance in the year 2021 that concerns the amortisation of assets, related to the concession contract for the operation of the Alqueva and Pedrógão hydroelectric power plants, in accordance with the financial plan built for this purpose, in which a fixed discount rate of 3.5% is considered.

Current assets

- A decrease of EUR 11.15 million in the item “Inventories” where the investments related to the secondary irrigation network were recorded and the amount resulting essentially from the conclusion of the construction of the Cuba-Odivelas and Évora blocks was regularised under the item “Other Accounts Receivable”;
- The increase of EUR 25.02 million under “Other Accounts Receivable” is essentially explained by the investments transferred from “Inventories” to the DGADR account (integrated under “Other Accounts Receivable”) in the amount of EUR 21.78 million resulting from the completion of the construction of the Cuba-Odivelas and Évora

blocks; as well as an increase in accrued income recognised at the end of 2021, in the amount of EUR 3.1 million, relating to the invoicing of the energy and water segments that will only be invoiced in 2022 (+ EUR 0.7 million) and the estimated financial revisibility calculated under the provisions of the operating contract for the Alqueva and Pedrógão hydroelectric plants and the sub-concession of the public water domain signed with EDP (+ EUR 2.4 million);

- Cash and Bank Deposits with a decrease of EUR 7.66 million (–90.81%) due to the Company’s operating, financing liquidation, functioning and investment activities.

The “Shareholders” Equity” presented a positive variation in the order of EUR 43.53 million as a result of:

1. increase in capital made during the year in the amount of EUR 52.82 million;
2. negative deviation of EUR 13.86 million in “Retained Earnings” justified by the application of the net results of 2020; and
3. positive variation of the “Net Profit” in the amount of EUR 4.00 million.

EQUITY AND LIABILITIES	31/dez/21	31/dez/20	Absoluto	Relativo
EQUITY				
Paid-up Capital	913 159	860 335	52 824	6,14%
Other reserves	9 203	9 203	0	0,00%
Retained Earnings	-821 896	-808 041	-13 855	1,71%
Adjustments in Financial Assets	0	0	0	
Net Profit for the Year	-9 856	-13 855	4 000	-28,87%
TOTAL EQUITY	90 610	47 642	42 968	90,19%
LIABILITIES				
Non-Current Liabilities				
Provisions	37 771	34 223	3 548	10,37%
Financing Obtained	117 406	116 667	739	0,63%
Other Accounts Payable	0	0	0	
Deferrals	367 271	381 783	-14 512	-3,80%
	522 447	532 673	-10 226	-1,92%
Current Liabilities				
Financing Obtained	132 957	159 256	-26 299	-16,51%
Suppliers and other payables	16 750	26 694	-9 943	-37,25%
Other Current Liabilities	301	254	46	18,25%
Deferrals	14 525	14 525	0	0,00%
	164 532	200 728	-36 196	-18,03%
TOTAL LIABILITIES	686 979	733 401	-46 422	-6,33%
TOTAL EQUITY AND LIABILITIES	777 589	781 043	-3 452	-0,44%

Table 32: Balance Sheet – Equity and Liabilities

Liabilities recorded the following changes:

Reduction in Non-Current Liabilities in the order of EUR 10.23 million, justified:

- Under “Provisions”, by the increase of EUR 3.55 million, justified by the application of IFRIC12 – Service Concession Arrangements to infrastructure in operation in the amount of EUR 2.75 million; with the use of EUR 0.21 million in major repairs of provisioned amount the provision for legal proceedings with an increase of EUR 1.01 million, essentially due to the proceedings brought by Tecnasol-FGE against EDIA, relating to the Contract for the treatment of foundations and implementation of the Pedrógão exploitation observation plan;

- Decrease in “Deferrals” of EUR 14.51 million (–3.80%), due to the recognition in income, in the same proportion, of the amortisation of subsidised assets in the amount of EUR 1.86 million and income from the concession contract for the Alqueva and Pedrogão hydroelectric power stations in the amount of EUR 12.65 million.

In Current Liabilities, there was a reduction of EUR 36.20 million, resulting essentially from the variation under the heading “Funding Obtained”, in the amount of EUR 26.30 million, and a reduction under the heading “Suppliers and Other Payables” of EUR 9.94 million, justified by the financial effort made by EDIA to ensure a reduction in the amount of obligations at the end of 2021 relating to the various operating and investment activities.

Financial Indicators

Thousand Euros			
Financial Indicators	31/12/21	31/12/20	Deviation
Turnover	35 600	35 540	60
EBITDA	16 276	11 570	4 706
EBIT	-7 697	-11 045	3 348
Financial Results	-2 129	-2 765	636
Net Results	-9 856	-13 855	4 000
Net Free Cash Flow	16 480	15 368	1 112
Investment	20 372	22 465	-2 093
Investment variation	accrued 2021	accrued 2020	investment 2021
43	22 978	21 755	1 223
44	1 931 107	1 924 878	6 229
45	44 816	31 896	12 920

Table 33: Balance Sheet - Financial Indicators

In 2021, EDIA presents a negative net result of about EUR 9.86 million while in the same period of 2020 the negative result was EUR 13.86 million, being noteworthy that:

- EBITDA shows an increase of around EUR 4.71 million compared to the same period last year, essentially due to the decrease in “Variation in Production Inventories” by EUR 7.65 million due to the decrease in investment in the secondary network, the decrease in “External Supplies and Services”, in the amount of EUR 8.75 million, a decrease in “Provisions” of EUR 3.14 million due to the application of IFRIC12 and the recognition of a reversal in the amount of EUR 0.29 million related to “Impairment of Debts Receivable” whereas in the same period last year it was recognized an impairment of EUR 0.800 million;

- The item “Depreciation and Amortisation Expenses/Reversals” shows a balance of -EUR 6.13 million and the item “Impairment of Investments/Depreciable/Amortisable Losses/Reversals” shows a balance of about -EUR 17.84 million, contributing to a negative EBIT of EUR 7.70 million.

Net Free Cash, in turn, showed an increase of EUR 1.11 million compared to the previous year.

EDIA presents a total investment of EUR 20.37 million without secondary network and with capitalizations.



CHAPTER 1 - FINANCIAL STATEMENT

PROPOSAL FOR THE APPLICATION OF RESULTS

Under the terms of Article 66(5)(f) of the Commercial Companies Code, the Board of Directors,

Considering:

A negative net profit of EUR 9,855,509 was recorded in the financial year 2021.

It proposes:

That the negative Net Result calculated for the year 2021 and included in the Balance Sheet on 31 December 2021 be carried forward to Retained Earnings.

Beja, March 29 2022

The Board of Directors

Eng. José Pedro Mendes Barbosa da Costa Salema

(President)

Dr. Augusta Manuel Pereira de Jesus Cachoupo

(Member)

Eng. Jorge Manuel Vazquez Gonzalez

(Member)



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CHAPTER 2

**DISSEMINATION OF
COMPLIANCE WITH
LEGAL GUIDELINES**



CHAPTER 02 - DISSEMINATION OF COMPLIANCE WITH LEGAL GUIDELINES

1- MANAGEMENT OBJECTIVES AND ACTIVITY PLAN AND BUDGET

Management Objectives

Although the company's strategic guidelines and objectives were not defined for the year 2021, EDIA proceeded in accordance with its "Mission":

- The design, execution, construction, management, operation, maintenance, and conservation of the infrastructures that make up EFMA's primary system;
- The design, execution, and construction, on behalf of the State, of the infrastructures that make up EFMA's secondary network; and
- The promotion, development, and pursuance of other economic activities whose benefits contribute to improving the conditions of use of the resources allocated to EFMA

This mission was assigned to EDIA by the State Shareholder through the Ministry of Finance, in coordination with the Ministry of Agriculture, and the Company's activity was guided in accordance with its proposed Plan of Activities and Budget –

2021 and other guidelines issued by the Directorate General of Treasury and Finance (DGTf) and the Directorate General of Budget (DGO).

The management results achieved during the 2021 financial year are listed below, namely at the level of the irrigated area, tenders launched, contracts awarded and financial indicators.

Irrigated Area

Alqueva is based on the concept of multiple purposes and on the integrated management of its strategic water reserve. With Alqueva, paths are mapped out for water: paths that lead to public supply, with the reinforcement of 5 dams that supply around 200,000 inhabitants, to agriculture, with an irrigated area of around 120,000 ha and an expansion area of more than 50,000 ha.

From Alqueva, dams and reservoirs are interconnected, guaranteeing the availability of water, even in periods of extreme drought, to an

area of approximately 10,000 km², divided between the districts of Beja, Évora, Portalegre and Setúbal, covering a total of 20 municipalities.

The Alqueva reservoir, the largest artificial lake in Europe, extends 83 km along the municipalities of Moura, Portel, Mourão, Reguengos de Monsaraz and Alandroal, occupying an area of 250 km². The total storage capacity of the Alqueva reservoir is 4,150 million m³, being 3,150 million m³ its usable volume in normal operation.

On the other hand, the periods of extreme drought that occurred recently accentuated the undeniable positive impact of the Alqueva reservoir, since, even in a situation of severe drought, it was possible to develop agriculture and supply populations. Thus, it is a cause for great satisfaction for all those involved, the achievement, on the ground, of the expected results, with the growing adherence to the perimeters, under EDIA management, in recent years.

Regarding the analysis of the membership and water consumption values in the EFMA perimeters on 31 December 2020 and 31 December 2021, there was an increase in membership of about 4.8% (4,926 ha), with the area registered at the end of the year being 108,158 ha. Water consumption at the end of 2021 stood at 316,101,263 m³, higher than the consumption in the same period of the previous year.

Registered area and consumption in 2020 and 2021:

Perimeters under EDIA's management	Benefited Area	2021				2020			
		Registered Area		Consumptions		Registered Area		Consumptions	
		ha	ha	%	m³	ha	%	m³	
Commissioning by 2010	18 754	20 704	110,40	61 263 497	20 666	110,19	53 129 903		
Monte Novo	7 714	11 109	144,02	27 211 458	11 124	144,21	22 823 126		
Alvito – Pisão	8 452	7 771	91,94	26 606 007	7 794	92,22	23 476 224		
Pisão	2 588	1 823	70,45	7 446 032	1 747	67,51	6 830 553		
Commissioning in 2011	26 417	23 776	90,00	66 053 227	22 934	86,81	60 116 751		
Alfundão	4 216	4 702	111,53	12 989 878	4 145	98,31	11 458 886		
Ferreira, Figueirinha and Valbom	5 118	3 425	66,93	9 805 296	3 254	63,58	8 567 829		
Orada – Amoreira	2 522	2 209	87,59	4 499 866	2 129	84,41	3 900 577		
Brinches	5 463	4 496	82,30	11 191 584	4 646	85,04	10 445 720		
Brinches – Enxoé	4 698	4 964	105,67	15 045 345	4 838	102,99	14 399 208		
Serpa	4 400	3 979	90,42	12 521 258	3 922	89,14	11 344 531		
Commissioning in 2012	9 278	7 641	82,36	23 936 172	7 362	79,35	22 637 993		
Loureiro–Alvito	1 050	901	85,76	3 959 114	903	85,98	3 513 882		
Ervidel	8 228	6 741	81,93	19 977 058	6 460	78,51	19 124 111		
Commissioning in 2013	4 016	4 402	109,60	8 801 773	3 937	98,04	7 724 279		
Pedrógão – Right Bank	4 016	4 402	109,60	8 801 773	3 937	98,04	7 724 279		
Commissioning in 2015	19 634	23 157	117,94	76 320 647	22 604	115,13	67 056 544		
Cinco Reis – Trindade	5 600	7 441	132,87	26 030 509	7 121	127,17	22 616 616		
Baleizão – Quintos	7 999	8 358	104,49	25 343 714	8 311	103,90	23 979 257		
São Pedro – Baleizão	6 035	7 358	121,92	24 946 424	7 172	118,85	20 460 671		
Commissioning in 2016	30 381	26 668	87,78	78 411 189	25 729	84,69	71 897 956		
Vale de Gaio	3 903	3 372	86,39	8 574 406	2 937	75,25	6 625 635		
Beringel – Beja	5 103	4 867	95,37	17 090 492	4 740	92,89	16 815 587		
Pias	4 698	3 585	76,32	9 356 536	3 599	76,61	9 041 618		
S. Matias	5 863	5 202	88,72	20 293 329	5 005	85,36	18 325 437		
Caliços – Machados	4 664	4 476	95,97	12 627 888	4 396	94,26	12 550 755		
Caliços – Moura	2 117	2 132	100,73	4 040 711	2 050	96,81	3 777 289		
Roxo – Sado	4 033	3 034	75,22	6 427 827	3 002	74,43	4 761 635		
Commissioning in 2021	5 718	1 811	31,67	1 314 758	0	0,00	0		
Cuba–Odivelas	2 773	1 281	46,19	271 273					
Évora	2 945	530	18,00	1 043 485					
TOTAL	114 198	108 158	94,71	316 101 263	103 232	90,40	282 563 426		

* CIEFMA's data as at 5 March 2021.
Note: Occasionally, small changes may occur in comparative figures for previous periods

Table 34: Water consumption by EFMA perimeter and by date of entry into operation of each perimeter

The following tables show the water reinforcements made to reservoirs, water sources, mainly from neighbouring perimeters and public supply, and consumption associated with direct abstraction:

Direct Abstractions	2021	2020
Consumption	20 571 623	19 261 730
Total	20 571 623	19 261 730

Table 35: Consumption from EFMA water abstraction

Supplies	2021	2020
Vale de Gaio	0	0
Campilhas and Alto Sado	7 653 640	11 894 677
Águas de Santo André	0	11 122 151
Vigia	2 296 926	3 145 870
Enxoé*	990 618	1 234 479
Monte Novo	0	647 507
Roxo**	0	26 856 703
Odivelas	20 841 000	37 002 000
Luz	1 422 000	1 179 000
Total	33 204 184	93 082 387

* No flow meter installed, value calculated by estimate and validated by AgdA.
** For Roxo, the difference between the adduced and received volumes must be made.

Table 36: Water consumption from supplies – EFMA

The analysis of the summary table below shows that the total volume of water distributed in 2021 was 369.88 hm³, which in comparison with the same period of the previous year shows a decrease of 25.03 hm³, that is, about 6.34 %.

	2021	2020
Alqueva Perimeters	316 101 263	282 563 426
Reinforcement of reservoirs	33 204 184	93 082 387
Direct abstractions	20 571 623	19 261 730
Total Consumptions	369 877 070	394 907 543

Table 37: Total Consumption – EFMA



Public tenders launched in 2020 and awarded in 2021

Name	Public Tender Number	Date of Award	Award Value (in EUR)
Provision of preventive maintenance services for the high voltage (60Kv), medium voltage (6_11_30Kv) and low voltage (0.4Kv) installations of the EFMA's primary network	19/2020	05/01/21	74 140,00
Supply, assembly and preventive maintenance of flow meters on the EFMA's primary and secondary networks	22/2020	16/02/21	150 675,89
Birdlife in the EFMA's secondary irrigation network – Characterisation of the reference situation for the Cuba–Odivelas, Reguengos, Viana do Alentejo and Évora irrigation blocks (2021–2022)	23/2020	09/02/21	55 250,00
Supply of AOV vehicles – 9 light passenger vehicles, 2 light goods vehicles 4x4 3 seats and 5 electric light passenger vehicles required by EDIA during the 1st half of 2021.	26/2020	19/01/21	Lot 1 - 35 499,84 Lot 2 - 106 646,40 Lot 3 - 42 654,24 Lot 4 - 85 308,48
Monitoring of birdlife in the EFMA's secondary irrigation network 2021–2022	27/2020	07/04/21	118 080,00

Table 38: Public tenders launched by EDIA in 2020 and awarded in 2021



Public tenders launched and awarded in 2021

Name	Public Tender Number	Date of Award	Award Value (in EUR)
Construction contract for the observation and command post and interpretation centre – Alqueva Dam	1/2021	09/11/21	2 485 918,50
Provision of maintenance services for the EFMA's primary network infrastructures	2/2021	18/05/21	1 668 149,04
Monitoring of surface hydric resources of the EFMA's secondary irrigation network – 2021/2022	3/2021	07/04/21	233 436,20
Provision of maintenance and improvement services for forested areas at the São Pedro reservoir, Piteiras, Estevais and Corte, Lameira and Courelas das Sesmarias estates	4/2021	30/08/21	97 247,78
SAP administration, parameterisation and application of corrective and evolutionary improvements	5/2021	13/07/21	144 924,00
Provision of temporary employment services under an open-ended contract for staff in the area of supervision of primary network infrastructures	6/2021	20/04/21	192.916,56
Provision of services for personal security at the Álamos pumping station and EDIA's registered office building	7/2021	08/06/21	476.211,60
Supply of AOV vehicles – 5 light passenger vehicles, 3 light goods vehicles 4x4 3 seats, needed by EDIA during the 2nd half of 2021	8/2021	13/07/21	Lot 1 - 36 075,84 Lot 2 - 18 037,92 Lot 3 - 30 822,72 Lot 4 - 46 234,08
Provision of temporary employment services for an unspecified term for staff in the area of electrical and mechanical maintenance	09/2021	30/08/21	111 844,32
Provision of temporary employment services for an indefinite period of time for staff working in the area of environmental and property impacts	10/2021	10/08/21	52.885,20
Provision of copying, scanning and fax services	11/2021	07/10/21	65 830,32
Soil monitoring in EFMA's irrigation blocks – Area B – Exploration Phase – 2021	12/2021	30/08/21	70 498,00
Provision of cleaning services for canals and reservoirs in EFMA's primary infrastructure	13/2021	28/09/21	192 006,24
Provision of temporary employment services under an open-ended contract for staff in the area of environment and spatial planning	14/2021	07/10/21	53 676,24
Provision of temporary employment services under an open-ended employment contract for staff in the electrotechnical, mechanical or electromechanical engineering area	15/2021	12/10/21	68 166,24
Provision of temporary employment services under an open-ended contract for staff in the area of management and maintenance of photovoltaic power production infrastructures	16/2021	07/10/21	144 905,28
Soil monitoring in EFMA's irrigation blocks – Area E – Characterisation of the reference situation – 2021	17/2021	30/08/21	37 040,50
Contract for the supply and installation of a coffer-floodgate at the R1 reservoir water intake of the Roxo Sado hydraulic circuit.	18/2021	16/11/21	69 889,50
Supply of metalomechanical services for the alteration of a grating cleaner and grates in the EFMA's primary network infrastructure	19/2021	23/11/21	87 500,00

Table 39: Public tenders launched and awarded by EDIA in 2021

Public tenders launched in 2021 and not awarded

Name	Public Tender Number	Launch Date	Base Price (in EUR)
Provision of corrective maintenance services for electric pump groups no. 1 and no. 2 at the Álamos EFMA's pumping station	20/2021	28/10/21	800 000,00
Provision of corrective maintenance services for the main group motors at the Álamos pumping station	21/2021	04/11/21	45.000,00
Provision of corrective maintenance services for the Pedrógão – Left Bank pumping station equipment	22/2021	19/11/21	100 000,00
Provision of services for the replacement of bolts of the sieves of the South Brinches reservoir	23/2021	23/11/21	75 000,00
Provision of corrective maintenance services for the EFMA's primary network infrastructure valves	24/2021	29/11/21	125 000,00
Provision of temporary labour services under an open-ended contract for staff in the area of electrical and mechanical maintenance	25/2021	07/12/21	194 640,00
Provision of temporary work services under an open-ended contract in the area of planning, studies and projects	26/2021	09/12/21	91 704,00
Construction contract for the central leisure platform and respective outdoor spaces in Alqueva	27/2021	14/12/21	550.000,00
Study of the use of chiroptera habitat in the area of influence of the Póvoa–Moura hydraulic circuit and respective irrigation blocks	28/2021	17/12/21	50 000,00

Table 40: Public tenders launched by EDIA in 2021 and not awarded

Financial Indicators

As stipulated in Council of Ministers Resolution No. 70/2008, later revoked by DL No. 133/2013 of 3

October, the financial indicators that apply to the reality of EDIA are shown in the following table:

Financial Indicators	
Efficiency	Year 2021
Operating Costs/EBITDA	168,92%
Staff Costs/EBITDA	41,64%
Staff Costs Variation Rate	2,65%
Average Payment Term	Year 2021
Average Payment Time	134
Evolution (days) compared to the previous year (homologous period)	31
Profitability and Growth	Year 2021
EBITDA/Revenue	45,72%
Revenue Growth Rate	0,17%
Return on Invested Capital	Year 2021
Net Profit/Invested Capital	-1,08%

Table 41: Financial Indicators



Implementation of the Activity Plan and Budget for 2021 with regard to the Financial Reference Principles

The investment plan presented by EDIA for the year 2021 was prepared from an economic perspective. The value of the investment planned

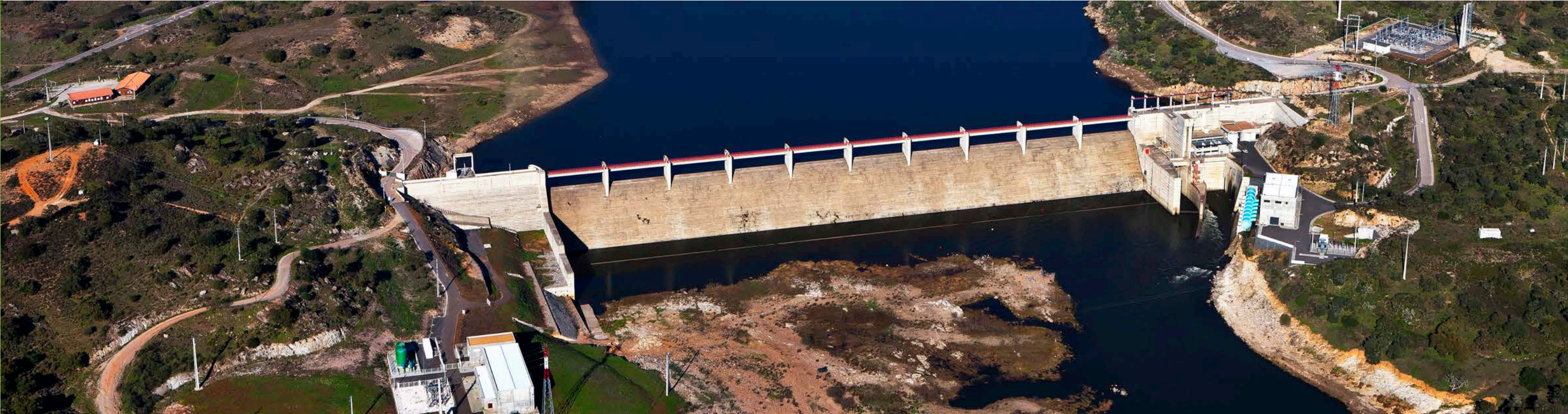
for 2021 totalled EUR 28,014,544. The realization of EDIA’s investment in this year amounted to EUR 27,912,501, i.e., about 99.64% of the forecast amount. A summary of the main justifications for the occurrence of the deviations found is presented below.

EUR

PROGRAMMES	Investment - 2021		Deviation	
	Envisaged	Realised	Total	
Alqueva Dam	36 000	33 771	-2 229	-6,19%
Pedrógão Dam and Power Plant		1 145 757	1 145 757	-
Alqueva-Alamos Pumping Station	1 042 996	1 034 274	-8 722	-0,84%
Primary Network	16 852 385	15 429 667	-1 422 718	-8,44%
Secondary Network	9 736 773	10 232 062	495 289	5,09%
Regional Development	346 390	36 969	-309 421	-89,33%
TOTAL	28 014 544	27 912 501	-102 043	-0,36%

Table 42: Project Investment – Foreseen 2021/Acted 2021

- Programme 1 – Alqueva Dam (EUR –2,229)
 - This deviation results from the fact that the work was carried out at a slightly lower cost than expected;
- Programme 3 – Pedrógão Dam and Power Station (EUR 1,145,757)
 - At the end of 2021, there was an increase in the commitments assumed by EDIA, relating to an increase of EUR 1,145,757 in the provision for the legal proceedings relating to the contract for the treatment of foundations and implementation of the Pedrógão exploitation observation plan;
- Programme 4 – Alqueva-Alamos Pumping Station (EUR –8,722)
 - In programme 4, the deviation occurred in the construction contract for boosting the power of the EFMA Álamos pumping station, which fell slightly short of the forecast;
- Programme 5 – Primary Network (EUR –1,422,718)
 - The deviation registered in this programme is mainly due to the delay in the construction of the CH of Viana do Alentejo. On the other hand, it is worth mentioning the higher-than-expected execution of the 2nd stage of the Pedrógão pumping station – right bank and the connection to the Morgavel Supply System;
- Programme 6 – Secondary Irrigation Network (EUR –495,289)
 - The execution in 2021 was slightly higher than foreseen in the State Budget;
- Programme 7 – Regional Development (EUR –309,421)
 - In this programme, the deviations noted were essentially in expenditure related to the Alqueva POC and the Alqueva dam area.



Level of Indebtedness

	EUR		
	2021 Forecast	2021 Executed	Deviation
Remunerated Financing of 2021	116 666 965,00	250 362 252,83	-133 695 287,83
Remunerated Financing of 2020	275 922 585,00	275 922 585,16	-0,16
Share Capital in 2021	1 045 091 884,00	913 158 750,00	131 933 134,00
Share Capital in 2020	860 334 960,00	860 334 960,00	0,00
New Investments of 2021	28 014 545,00	25 430 098,24	2 584 446,76
Debt variation	-0,22%	0,16%	-0,38%

Table 43- Change in indebtedness

The variation in indebtedness foreseen in the Plan of Activities and Budget (PAO), relative to that executed, is justified by the fact that there was no amortisation of the loan, in the amount of EUR 126.14 million, with the DGTF, whose financing contract ended in November 2021.

In addition to the above, on 3 November 2021, a medium and long-term financing contract was signed between the Portuguese State and EDIA, S.A., in the amount of EUR 7.00 million to meet the financing needs of the third four months of 2021, relating to the works of the National Irrigation Programme ending on 30 November 2028.

Degree of Execution of the Budget uploaded in SIGO/SOE

The expenditure budget proposal presented by EDIA was EUR 153,209,916, with the corrected appropriations amounting to EUR 101,089,523, which constitutes a reduction of EUR 52,120,393 in the initial budget. In this budget, the corrected appropriations are subdivided into activities and projects, with amounts of EUR 73,074,978 and EUR 28,014,545, respectively.

EDIA requested six budget amendment requests throughout the year to meet mainly the commitments relating to the 2nd Phase EFMA

projects, included in the projects approved by PNRegadios:

- Integration and expense application request of the FF 522 balance - EUR 5,622,686 - investment in the scope of PNRegadios - approved on 13 May 2021;
- Request for deactivation of the CER 07.01.04. B0.00 - FF 721 - EUR 2,250,153 - PNRegadios projects - approved on 27 July 2021;
- Request for the integration and application of the balance of the community financing of EUR 2,807,561 - approved on 23 September 2021;
- Decommissioning request RCE 02 - FF 513 - EUR 3,836,796 - to meet energy costs - approved on 27 October 2021;
- Request for a budget amendment from the projects budget to the activities budget - FF 513 - EUR 3,000,000 - approved on 22 November 2021, with an extra EUR 450.000 as a captive; and
- Special Credit after loan - FF 713 - EUR 7,000,000 - approved on 7 December 2021.



01

02

03

04

EUR

After approval of the previous change requests, except for the one for decommissioning, the corrected allocation for the projects budget increased from EUR 28,014,545 to EUR 40,444,792.

The following table presents the breakdown of the Expenditure Budget:

	Corrected Appropriations (1)	Captives or freezes (2)	Corrected Appropriations (3)=(1)-(2)	Undertaken Compromises (4)	Expenses paid (5)	Uncommitted appropriation (3)-(4)	Balances (3) - (5)	Commitments to pay (4)-(5)
Activities	76 182 228	1 600 096	74 582 132	69 930 966	69 930 966	4 651 166	4 651 166	0
Staff costs	6 858 465	0	6 858 465	6 780 645	6 780 645	77 820	77 820	0
Acquisition of Goods and Services	27 789 778	450 000	27 339 778	24 934 062	24 934 062	2 405 716	2 405 716	0
Interest and other charges	2 779 639	0	2 779 639	1 722 983	1 722 983	1 056 656	1 056 656	0
Other Current Expenses	4 534 026	1 150 096	3 383 930	2 987 390	2 987 390	396 540	396 540	0
Acquisition of Capital Assets	1 104 222	0	1 104 222	389 789	389 789	714 433	714 433	0
Financial Liabilities	33 116 098	0	33 116 098	33 116 097	33 116 097	1	1	0
							0	
Projects	40 444 792	1 177 293	39 267 499	35 963 663	35 963 663	3 303 836	3 303 836	0
Acquisition of Capital Assets	40 444 792	1 177 293	39 267 499	35 963 663	35 963 663	3 303 836	3 303 836	0
Total EDIA	116 627 020	2 777 389	113 849 631	105 894 629	105 894 629	7 955 002	7 955 002	0

Table 44: Degree of execution of the Projects budget (expenditure) - SIGO/SOE



01

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After the approval of the EUR 2,250,153 deduction in the projects budget and the EUR 3,836,796 deduction and extra item of EUR 450,000 in the activities budget, the corrected appropriations still have a item of EUR 2,777,389.

The statement of expenditure shows that at the end of the year commitments amounting to EUR 105,894,629 were entered into, which corresponds to around 93.01% of the adjusted allocation net of captives, and payments totalling EUR 105,894,629 were made.

In the budget for expenditure on activities, payments totalling

EUR 69,930,966 were made, with financial liabilities (EUR 33,116,097), including the repayment of bonds and EIB loans, and purchases of merchandise and services (EUR 24,934,062), including premises charges (energy).

The following table provides a breakdown of the project budget, showing the expenses paid by the end of the year:

EUR

Project	Name	Initial Approved OE2021 (State Budget)	OE2021 After Budgetary Changes	Expenses paid	Execution Level considering the Changed Budget (%)
09551	Complementary Actions	4 219 218	2 430 993	1 199 110	49%
09521	Barras, Torrão and Baronia Baixo Block	1 000	1 000	0	0%
09529	Moura Gravítico Block	130	130	0	0%
09527	Pias Block	1 000	7 396	6 396	86%
09554	Caliços-Machados Block	21 380	6 492	0	0%
09519	Baronia and Alvito Altos and Alvito Baixo Blocks	1 000	1 000	0	0%
09510	Beja Blocks	6 390	6 390	0	0%
09514	Beringel-Álamos Blocks	1 250	1 250	0	0%
09525	São Matias Blocks	2 000	56 063	0	0%
09532	São Pedro Blocks	2 878	2 878	0	0%
09508	Roxo-Sado Blocks	2 900	2 900	0	0%
09467	Roxo-Sado Hydraulic Circuit	85 200	45 303	10 485	23%
09530	Loureiro-Alvito Block	0	153 627	60 300	39%
09468	Installation of Groups 3 and 4 EE Álamos and Álamos- Loureiro	595 000	1 995 087	1 088 214	55%
09427	Connection to the Morgável Supply System	1 080 874	8 039 208	7 712 929	96%
10746	Installation of 3 Additional Groups at E.E. São Pedro	0	0	0	
10774	Cuba-Odivelas Hydraulic Circuit and Block	1 901 213	4 773 113	4 643 511	97%
11062	Évora Hydraulic Circuit and Block	2 269 365	6 881 155	6 720 428	98%
11063	Viana Hydraulic Circuit, Main Pipeline and Block	11 427 852	14 507 958	12 996 877	90%
11064	Reguengos Hydraulic Circuit and Block	3 979 212	42 970	41 870	97%
11065	2nd Phase of Pedrógão – Right Bank Hydraulic Power Plant	0	1 289 586	1 289 586	100%
11066	Vidigueira Hydraulic Circuit and Block and East Cuba Photovoltaic Plant	1 087 865	152 905	149 737	98%
11067	São Bento Hydraulic Circuit and Block and Lage Photovoltaic Plant	1 328 818	47 388	44 220	93%
TOTAL		28 014 545	40 444 792	35 963 663	89%

Note: Complementary Actions – These contemplate the investments foreseen in the 2nd Phase of EFMA that will be considered in autonomous projects, as soon as the projects are individually approved in the National Irrigation Programme.

Table 45: Degree of execution of the Projects budget (expenditure) – SIGO/SOE

At the end of the year, the amount paid in the project budget was EUR 35,963,663, which mainly focuses on the projects of the 1st Notice of PNRRegadios, such as:

- 11063 – Main Pipeline Hydraulic Circuit and Viana Block;
- 09427 – Connection to the Morgável Supply System;
- 11062 – Évora Hydraulic Circuit and Block; and

- 10774 – Hydraulic Circuit and Cubic Block Odivelas.

The projects for the Évora and Cuba-Odivelas Hydraulic Circuits and Blocks were practically concluded, and provisional acceptance of the works took place in the last quarter of the year.

The table below shows the amounts allocated to projects in the revenue budget:

EUR

Revenue Budget	Initial Approved OE 2021 (State Budget)	Adjusted Forecasts	Realised	Deviations	Execution Level
Current Transfers	705 750	3 485 836	2 815 086	670 750	80,8%
Services	9 218 330	5 980 400	2 494 241	3 486 159	41,7%
Capital Transfers	89 250	124 250	30 434	93 816	24,5%
Financial Liabilities	18 001 215	25 001 215	25 001 215	0	100,0%
Previous year's balance		5 622 686	5 622 686	0	100,0%
Extra-budgetary operations		237 930	237 925	5	100,0%
TOTAL EDIA	28 014 545	40 452 317	36 201 588	4 250 729	89,5%

Table 46: Degree of execution of the Projects budget (revenue) – SIGO/SOE



The initial approved revenue budget for projects is EUR 28,014,545. The corrected forecast amounted to EUR 40,452,317, after the aforementioned reinforcements and reductions in the expenditure budget, plus a reinforcement of EUR 7,525 (FF 432) from a community grant, and the implementation figure was EUR 36,201,588, representing an implementation rate of 89.5%.

The difference between expenditure and revenue realised corresponds to extra-budgetary operations, in the amount of EUR 237,925, which corresponds to the financing of ongoing projects whose expenses were carried over to 2022.

Activities

The following map compares the final execution with the approved budget of the activity budget.

EUR

Activity Budget	2021 Approved Budget	2021 Execution	Deviation	Exec. Degree (%)
Expenses				
Staff Costs	6 401 215	6 780 645	379 430	106%
Acquisition of Goods and Services	24 735 675	24 934 062	198 387	101%
Interest and Other Charges	2 758 639	1 722 983	-1 035 656	62%
Other Current Expenses	5 005 030	2 987 390	-2 017 640	60%
Acquisition of Capital Goods	1 058 321	389 789	-668 532	37%
Financial Liabilities	33 116 098	33 116 097	-1	100%
	73 074 978	69 930 966	-3 144 012	96%
Revenue				
Current Transfers	414 723	355 865	-58 858	86%
Sale of Goods and Services	32 403 675	35 218 484	2 814 809	109%
Other Current Revenue	4 381 843	58 391	-4 323 452	1%
Capital Revenues	0	12 760		
Financial Liabilities	35 874 737	34 822 575	-1 052 162	97%
TOTAL	73 074 978	70 468 075	-2 606 903	96%

Table 47: Activity budget execution degree (expenditure and revenues) - SIGO/SOE

Regarding the Activity Budget, the expenses present a degree of execution of 96%, where the main deviations are:

- a. Personnel costs, with an execution of 106% compared to the initial forecast, justified essentially by salary progressions and a reduction in absenteeism;

- b. Acquisition of Merchandise and Services with an execution of 101% compared to the initial forecast, due essentially to the increase in the expenditure with installations, namely energy costs with pumping, preventive and corrective maintenance, justified by an increase in activity with water consumption;

- c. Interest and Other Charges with an execution of 62% as a result of interest rates lower than forecast;
- d. Other Current Expenses with 60% execution due to the fact that the foreseen payments of taxes and fees did not occur or were lower than expected, and also because a specific reserve amount was included in the budget, in accordance with the instructions for preparation for the State Budget 2021;
- e. Acquisition of Capital Merchandise with a 37% execution due to the fact that part of the equipment acquisitions and building works foreseen in the budget did not take place.
- a. Current Transfers show 86% for a slightly lower execution than expected;
- b. The item Sales of Merchandise and Current Services shows an execution of 109% as a result of receipts in the areas of water distribution, which essentially compensated for the deficits in the execution of other income;
- c. Under the Other Current Revenue heading, the non-collection of the VAT included in the approved budget led to a 1% execution;
- d. Financial Liabilities show an execution of 97%, as a result of the capital increases to pay EDIA's debt service, which occurred during 2021.

In the case of revenue, they show an execution relative to the budget of 96% due:



2 - FINANCIAL RISK MANAGEMENT

Financial risk management, under the terms of Order no. 101/09-SEFT, of 30 January.

THE PROCEDURES ADOPTED FOR RISK ASSESSMENT AND THE RESPECTIVE HEDGING MEASURES

Diversification of financing instruments, available interest rate modalities and creditor entities

EDIA presents an accumulated investment, from 1995 to the end of 2021, of approximately EUR 2,420.32 million. This investment is funded not only with own capital and investment subsidies (Community Funds and PIDDAC (Central Administration Investment and Development Expenditure Programme)), but also with borrowed capital, through bank loans.

As of 31 December 2021, the financing structure was composed of:

- Share capital increases of EUR 913.16 million;
- Investment Subsidies – Community Funds in the amount of EUR 1,244.11 million;
- Investment Subsidies – PIDDAC in the amount of EUR 153.03 million; and
- Bank finance in the amount of EUR 249.97 million.

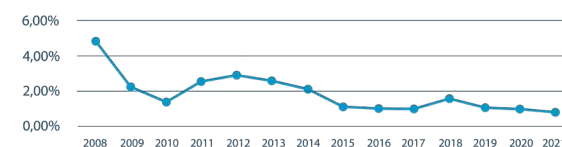
Financial Risk Management Policies

EDIA recognises the financial risks that may significantly alter its asset value, such as interest rate risk and liquidity risk.

Interest Rate Risk

Interest rate risk is normally associated with changes in spreads and interest rate variation risks. EDIA has never subscribed any interest rate coverage, all external financing is indexed to a variable rate. In our opinion, this policy has been the right one since the market has relatively low rates, thus presenting itself as an advantage compared to the higher charges resulting from this type of operation. Establishing a comparative analysis of the financial charges throughout the life of each financing, we conclude that the average rate in 2021 is close to 0.85%, a clearly advantageous rate in relation to the contracting process of this type of financial instrument, namely the fixing of interest rates.

AVERAGE ANNUAL INTEREST RATE



Graph 12: Average annual interest rate

Sensitivity Analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in interest rates affect interest receivable or payable on floating rate financial instruments; and
- The analysis was based on the financial instruments in place during the current financial year.

Thus, considering the assumptions, and a variation of 1% in the interest rates of the financial instruments, its impact on the Financial Results, as well as on the Net Results for the Financial Year, would be approximately EUR 1.17 million in 2021 and EUR 1.50 million in 2020.

Liquidity Risk

Until 2010, all external financing operations (borrowed capital) were subject to careful analysis as a result of consultation with the Banks, considering the best market conditions, both financially and fiscally, and always opting for the one with the most favourable all-in-cost for the Company.

From mid-2011 a new reality emerged for EDIA, with the global economic and financial situation worsening, access to new funding became increasingly difficult. The downgrade operated to the Portuguese State by the main international rating agencies, led to an increase in credit risk to all SEE companies, and consequently, the financing spreads increased significantly.

From 2012, in order to ensure the liquidity necessary for the normal operation of the Company, both to ensure the investment made and also to meet the financial charges, all EDIA's financing and refinancing needs were ensured by 5 banks (CGD, BES, BCP, BPI and Santander-Totta), as a result of mediation by the Secretary of State for Treasury and Finance and the DGTF with the respective banks.

With the entry into force of Decree-Law No 133/2013 at the beginning of December 2013, all EDIA financing operations require approval from the DGTF and an opinion from the IGCP (Treasury and Public Debt Management Agency).

In November 2014 following the entry into the perimeter of public accounts, EDIA took out a loan granted by the DGTF in order to meet the financial needs until the end of the year and to settle and replace short-term debt amounting to EUR 189.21 million.

From 2015, in order to meet EDIA's funding needs, the shareholder has made capital increases in order to ensure availability for the settlement of the repayments of the various loans and related financial charges, as well as the payment of ongoing investment, not supported by its own revenues or EU funding.

In addition to the capital increases that took place in 2021, in the amount of EUR 52.82 million, a medium and long-term financing contract was signed between the Portuguese State and EDIA, S.A., on 3 November this year, in the amount of EUR 7.00 million to meet the financing needs of the third four months of 2021, relating to the works of the National Irrigation Programme ending on 30 November 2028.

ADOPTION OF AN ACTIVE POLICY OF PERMANENT CAPITAL REINFORCEMENT

Consolidation of interest-bearing liabilities by transforming short- to medium- and long-term liabilities in favourable market circumstances

As a result of the more favourable market conditions, and whenever EDIA is unable to obtain financing through capital increases, it is forced to resort to financing from third-party capital.

As previously mentioned, following its entry into the public accounts perimeter, EDIA, as a reclassified company, can only resort to financing from the DGTF or community financing as provided for in the Legal Regime of the Public Business Sector (RJSPE).

In November 2014, it restructured the short-term debt incurred since September 2011 by signing a medium and long-term contract in November 2014 for the amount of EUR 189.21 million with the DGTF.

In 2021, EDIA's financing was carried out through capital appropriations amounting to EUR 52.82 million and a medium and long-term bank loan, between the Portuguese State and EDIA, S.A., amounting to EUR 7.00 million.

Minimisation of the provision of real guarantees and restrictive clauses (covenants)

Considering that the EFMA project is of great national interest since it represents a work of harnessing the water resources associated with the Guadiana River and contributing to the promotion and economic and social development of the Alentejo region, all EDIA's financing is based on the premise of a personal guarantee from the State and

an identification of the financial resources strictly necessary to meet the investment in a given period, in order to facilitate obtaining credit at the best market conditions.

When contracting external financing operations, both EDIA and the DGTF (the latter as the representative of the sole shareholder, the State) pay special attention to minimising restrictive clauses through the analysis of the documentation.

From the year 2011, due to the economic and financial environment, and the constraints of bank financing at national level, EDIA contracted short-term loans, until the end of 2013, with the national banking sector in the amount of EUR 161.5 million, without a guarantee from the Portuguese State (arising from negotiations between the Secretary of State for Treasury and Finance and the banks CGD, BES, BCP, BPI and Santander-Totta under the financing of the State Business Sector companies).

The current financing contract of EUR 189.21 million with DGTF, contracted in 2014, has no restrictive clauses (covenants).

In October 2019, EDIA, contracted a medium and long-term loan, in the amount of EUR 45 million, with CEB, for the installation of a set of floating photovoltaic plants near pumping stations of the primary network of the Alqueva Development.

As regards the guarantee contract, the clauses were previously validated by IGCP and DGTF as the State's representative. In 2020 the tender procedure was prepared and authorised by the Ministry of Finance provided the approval of the Ordinance for the Extension of Charges was obtained. This ordinance was not approved in 2021 and is expected to be resubmitted in early 2022.

On 3 November 2021, a medium and long-term financing contract was signed between the Portuguese State and EDIA, S.A., in the amount of EUR 7.00 million to meet the financing needs of the third four months of 2021, relating to the works of the National Irrigation Programme ending on 30 November 2028.

MEASURES PURSUED WITH A VIEW TO OPTIMISING THE COMPANY'S FINANCIAL STRUCTURE

Since its creation, EDIA has focused its activity on the implementation of a set of infrastructures that comprise EFMA, of which the Alqueva and Pedrógão dams and respective hydroelectric plants and the overall water supply system stand out due to their size.

Both EDIA's investment and financing decisions are dependent on the State's approval, as indicated in the following points:

- According to point 1(c) of Article 3 of Decree-Law No 42/2007 of 22 February 2007, the object of EDIA is *"the design, implementation and construction of infrastructure that make up the secondary network allocated to the Development, on behalf of the State and in accordance with the instructions addressed to it by the Minister for Agriculture, Forestry and Rural Development"*. *Financing should be ensured as defined under point 2, i.e. "Through the Ministry of Agriculture, Forests and Rural Development, the State ensures the financing and other conditions relating to the performance of EDIA, with regard to the pursuit of the object defined in paragraph c)*

of the previous number, and the respective works are the property of the State";

- Regarding the primary network, point 3 states that *"The construction of the primary and secondary irrigation networks integrated into the Development depends on the prior approval of the projects by the Minister of Agriculture and Sea, who must accompany the entire process, under the terms of the legal regime for hydro-agricultural works"*. There is also, for the execution of the primary network, the requirement for prior approval by the State Shareholder; and
- As for the contracting of funding and guarantees, point 1 of Article 8 of the same Decree-Law states that *"The contracting of medium and long-term funding by EDIA requires authorisation from the Ministry of Finance."*

In programming EFMA's investments and financing, EDIA's sole purpose is to meet the objectives assigned to the Company by the Shareholder, and with regard to financing, the Community funds available in the various operational programmes for EFMA are always taken into account, complemented by recourse to capital allocations from the Shareholder.

On 31 December 2021, the Company's Share Capital, fully subscribed and paid up, amounted to EUR 913,158,750 (made up of 182,631,750 shares), and was wholly owned by the Portuguese State, through the Directorate General of Treasury and Finance (DGTF).

The variation which occurred in 2021 (EUR 52,823,790 and 10,564,758 new shares) resulted

from the following issue of shares with a nominal value of 5 EUR each:

March 2021 – Issue of 8,128,941 new shares, with a nominal value of EUR 5 each, paid up in cash. The amount subscribed and paid up was EUR 40,644,705.00, with the following breakdown:

- EUR 30,644,490 – Financial needs for debt servicing; and
- EUR 10,000,215 – Investment PNRegadios.

June 2021 – Issue of 900,000 new shares, with a nominal value of EUR 5 each, paid up in cash.

The amount subscribed and paid up was EUR 4,500,000.00, with the following breakdown:

- EUR 4,500,000 – Investment PNRegadios.
- August 2021**– Issue of 1,535,817 new shares, with a nominal value of EUR 5 each, paid up in cash. The amount subscribed and paid up was EUR 7,679,085.00, with the following breakdown:
- EUR 4,178,085 – Financial requirements for debt servicing; and
 - EUR 3,501,000 – Investment PNRegadios.

FUNDING POLICY

Milhares de EUR					
Years	2021	2020	2019	2018	2017
Financial Charges (€)	2 136,78	2 772,01	3 123,14	5 179,42	6 416,66
Average Financing Rate (%)	0,85%	1,00%	1,09%	1,60%	1,01%

Table 48 – Funding Policy

For the 2013–2014 period, the need to finance EFMA’s investment activities as well as the payment of debt service, implied recourse to borrowed capital, through the contracting of bank loans.

From 2015 onwards, the increase in own revenues with the increase in operating activities, the change in the financial policy defined by the Shareholder and, previously based on contracting loans, and currently through capital appropriations sufficient to accompany the pace of investment and support the costs related to debt servicing, resulted in a decrease in financial charges.

The bond financing is indexed to variable interest rates, namely Euribor, so the evolution of the average financing rate is directly related to the

variation of this rate, which since 2017 show historical lows.

The financing contracted in 2014 with DGTF in the amount of EUR 189.21 million, has a nominal annual fixed rate, equivalent to the Republic’s cost of financing at the date of disbursement.

In 2021, there was a decrease in Remunerated Liabilities justified by: 1) repayment of the loan with the EIB in the amount of EUR 26.38 million, which ended in March and 2) repayment in the amount of EUR 6.74 million relating to the bond loan amounting to EUR-94.35 million. However, EDIA resorted to borrowed capital, contracting a loan with the DGTF in the amount of EUR 7 million in November.

3 - LIMITS TO THE GROWTH OF INDEBTEDNESS

Variation of Indebtedness (execution)	2021	2020	Variation 2021/2020	
	Values (€)		Value	%
Remunerated Financing (Current and Non-Current)	250 362 252,83	275 922 585,16	-25 560 332,33	-9,26%
... of which granted by DGTF	133 139 523,33	126 139 523,33	7 000 000,00	5,55%
Capital increases for paid-in capital	52 823 790,00	21 524 640,00	31 299 150,00	145,41%
New Investments	25 430 098,24	34 754 600,00		
VARIATION OF INDEBTEDNESS	0,16%	-2,06%		

EUR

	2021
Remunerated Financing 2021	250 362 252,83
Remunerated Financing 2020	275 922 585,16
Share Capital 2021	913 158 750,00
Share Capital 2020	860 334 960,00
New Investments 2021	25 430 098,24
Variation of Indebtedness	0,16%

EUR

Tables 49 and 50: Growth Limits of Indebtedness

As shown in the previous table, the variation in indebtedness is 0.16%, justified by the medium and

long-term financing between the Portuguese State and EDIA, S.A., in the amount of EUR 7.00 million.

**4 - AVERAGE PAYMENT PERIOD****EVOLUTION OF THE AVERAGE PAYMENT PERIOD**

The evolution of the Average Payment Time (PMP), in accordance with the RCM (Council of Ministers Resolution) (no. 34/2008, 22 February, with the alteration introduced by Order no. 9870/2009, 13 April, which approves the “Pay on Time” Programme and which aims to reduce the average payment times practised by public entities to suppliers of merchandise and services.

EDIA, S.A.’s PMP for the years 2021 and 2020 (according to the DGTF formula) is presented below:

PMP	2021	2020	Variation 21/20	
			Value	%
Term (days)	125	103	22	21,36%

Table 51: Average Payment Term

During the year 2021 the PMP suffered an increase of 22 days, compared to the deadlines presented in 2020, about 21.36%. This variation is justified by the delay and lack of funding for the ongoing investment in PNRegadios.

The Shareholder in OE2021 chose to finance the projects approved in PNRegadios through capital increase, contrary to what was foreseen. This situation requires quarterly requests for capital increase, which is a time-consuming process. On the other hand, the investment values greatly exceeded the amount of capital increase provided for in the budget, having decided to use the balances of previous years, whose authorization also had to be requested.

Besides the increase in the payment deadlines related to PNRegadios expenses, we also noticed that an important part of the operating values, essentially energy, are settled after the receipt of the annual instalment of the rent from EDP, thus postponing the payment deadlines.

LATE PAYMENTS (“ARREARS”)

The debts to be reported relate to the supply of merchandise and services for which payment is overdue, as defined in Decree-Law no. 65-A/2011 of 17 May: “non-payment of an invoice corresponding to the supply of merchandise and services in the following article after 90 days or more have elapsed since the date agreed for the payment of the invoice or, failing this, the date stated in the invoice”.

Article 26(2) of Decree-Law No. 84/2019 of 28 June obliges public companies, with an average payment period of more than 60 days, to disclose on their websites, and update by the end of the month following the end of each quarter, an updated list of their debts that are certain, net, and due for more than 30 days.

EDIA, to comply with the law, as referred to above in Article 26(2) of Decree-Law No. 84/2019 of 28 June, discloses on the EDIA, SIRIEF (Economic and Financial Information Collection System), SIGO (Budget Management Information System) website an updated list of its debts that are certain, net, and due for more than 30 days.

In accordance with the provisions, the final list and identification of EDIA, S.A.’s payment arrears on 31 December 2021 is presented:

Overdue Debts	Value (€)	Value of overdue debt according to Art. 1 DL 65-A/2011 (€)				
	0-90 days	90-120 days	120-240 days	240-360 days	> 360 days	
Acquisition of Goods and Services	225 398,90					
Acquisition of Capital						
Total	225 398,90					

Table 52: Overdue Debts

On 31 December 2021 EDIA had no arrears as defined by Article 1 of DL 65-A/2011.

5 - STEPS TAKEN AND RESULTS OBTAINED IN COMPLYING WITH THE SHAREHOLDER’S RECOMMENDATIONS

Although the General Assembly to approve EDIA’s 2020 Annual Report and Accounts was held in February 2022, the recommendations transmitted in this Assembly had already been established the previous year, at the General Assembly held on 5 June 2020, with the following results:

- a. to comply with the objective of the payment deadline to suppliers in accordance with the criteria defined in the RCM no. 34/2008, of 14 February;

During the year 2021, the PMP suffered an increase of 22 days, compared to the deadlines presented in 2020, about 21.36%.

This variation is justified by the delay and lack of financing for the ongoing investment in the PNRegadios and by the operating values, essentially energy, which are settled after the receipt of the annual instalment of the rent from EDP, thus postponing the payment deadlines.

- b. to comply with the provisions of Article 158(3)(a) of the 2019 DLEO with regard to personnel expenditure;

Following the guidelines transmitted by the Tutelage, the Company, despite the strong component of the operation, operation, and maintenance of irrigation perimeters, according to the programming of activities approved by the State Shareholder, has managed to stabilise its overall number of employees, favouring the redistribution of tasks among employees already in its service, through the adoption of internal mobility policies. In fact, on 31 December 2011, EDIA’s workforce consisted of 189 employees, having increased to 188 in 2012, 187 employees in 2013, 185 employees in 2014 and 2015 and 179 employees in 2016, 2017, 2018, 2019,2020 and 2021.

In relation to the executed values, the 2.65% increase in Personnel Costs is justified by the attribution of remuneratory valorisations for

2021, due to salary progressions. There is also a reduction in the absenteeism rate in 2021.

Staff Costs	Values
Total 2021	6 776 731
- Correction of performance appraisal progressions	-145 447
- Absenteeism Reduction	-30 857
Total 2021 Adjusted	6 600 428
Total 2020	6 601 620

Table 53: Change in staff costs

In accordance with its objectives and statutes, the strong commitment of EDIA’s human resources was demonstrated, in a particularly expressive way, by strengthening

the appreciation and introduction of the concepts of flexibility and versatility within the organisation, a fact that gave rise to the transfer of employees between areas, reinforcing the areas of operation and equipment maintenance. The policy pursued by EDIA throughout the year focused on redirecting some of its human resources to new areas of activity of the organisation, through the conversion of the tasks for which they became responsible. It should be noted that this increase and diversification of the Company’s activities was carried out on the basis of a frankly deficient staff and with a much higher than normal and advisable workload per employee.



6 - REMUNERATIONS/HONOURS

Governing Bodies

FIXED REMUNERATION STATUS	
BOARD OF THE GENERAL MEETING	
Chairperson	Shareholder Order of 23 May 2018: ^(a)
	Attendance Voucher in the amount of € 575.00 (per General Meeting, normally one per year).
Secretary	Shareholder Order of 23 May 2018: ^(a)
	ttendance voucher in the amount of € 375.00 (per General Meeting, normally one per year)”
BOARD OF DIRECTORS (Executive Directors)	
CHAIRPERSON	
Shareholder Order of 23 May 2018: ^(a)	
Remuneration of € 4,864.34 (14 times per year) plus 40% by way of representation expenses of € 1,945.74 (12 times per year)	
Remuneration applied: ^(b)	
Remuneration of € 4,621.12, plus € 1,848.453 as representation expenses (includes a 5% reduction provided for in paragraph 1 of article 12 of Law no. 12/2010 of 30 June)	
Service Vehicle (purchase limit of € 40,000.00); Driver; Mobile Phone (monthly limit of € 80.00); Health Insurance (€ 360.83 euros per year)	
MEMBERS	
Shareholder Order of 23 May 2018: ^(a)	
Remuneration of € 3,891.47 (14 times per year) plus 40% representation expenses of € 1,556.59 (12 times per year)	
Remuneration applied: ^(b)	
Remuneration of € 3,696.90, plus € 1,478.76 as representation expenses (includes a 5% reduction provided for in paragraph 1 of article 12 of Law no. 12/2010 of 30 June)	
Service Vehicle (purchase limit of € 40,000.00); Mobile Phone (monthly limit of € 80.00); Health Insurance (e 360.83 euros per year).	
SUPERVISORY BODIES	
Statutory Auditor	Remuneration corresponding to 22.5% of the value of 12 months of the overall gross monthly remuneration awarded, under the law, to the Chairman of the Board of Directors of EDIA, S.A. € 6,469.57 * 22.5% = 1,455.65 * 12 = € 17,467.80
	Travelling expenses (transport and accommodation) as per Article 59 of the Statutes of the Statutory Auditor
Supervisory Board	CHAIRPERSON
	Shareholder Order of 23 May 2018: ^(a)
	Monthly remuneration of €1,362.01 (14 times per year)
	MEMBERS
	Shareholder Order of 23 May 2018: ^(a)
	Monthly remuneration of € 1,021.51 (14 times a year)

Table 54- Fixed Remuneration Status

(a)The Unanimous Social Resolution in Writing of 23 May 2018 fixed the remuneration status of the members of EDIA’s Governing Bodies for the 2018–2020 term of office. Following the publication of the Budget Execution Decree–Law for 2019 (Decree–Law no. 84/2019 of 28 June), and the provisions of Article 209(1) of this law, the remuneration of the members of the BD was changed to the remuneration status approved by the Shareholder’s Order, in a phased manner, as set out in paragraphs 1 and 2 of Article 16 of the LOE.

(b)The value of the total amount of remuneration earned was subject to change at the beginning of 2018. In the context of the approval of a set of additional fiscal consolidation measures aimed at strengthening and accelerating the reduction of the excessive deficit and control of the growth of public debt provided for in the Stability and Growth Programme (PEC), the 5% reduction in the salaries of public managers and equivalent, provided for in article 1(1) of Law no. 12–A/2010 of 30 June, is maintained.

There is still no place for the award of management prizes as provided for in article 4 of Decree–Law no. 8/2012 of 18 January and in paragraph 4 of the Council of Ministers Resolution no. 36/2012 of 26 March, article 29 of Law no. 64–B/2012 of 30 December (LOE 2012), article 37 of Law no. 66–B of 31 December (LOE 2013), Article 41 of Law no. 83–C of 31 December (LOE 2014), article 41 of Law no. 82–B/2014 of 31 December (LOE 2015), article 18 of Law no. 7–A/2016 of 30 March (LOE 2016), article 19 of Law no. 42/2016 of 28 December (LOE 2017), article 20 of Law no. 114/2017 of 29 December (LOE 2018) and article 27 of Law no. 71/2018 of 31 December (LOE/2019).

Regarding the years 2020 and 2021, although the State Budgets (Law no. 2/2020, of 31 March and Law no. 75–B/2020, of 31 December, respectively) have started to allow the payment of management premiums, there was no payment as the management contracts were not signed (article 62 of Law no. 2/2020, of 31 March and article 67 of Law no. 75–B/2020, of 31 December).

BOARD OF THE GENERAL ASSEMBLY

Mandate	Position		Amount of the Fixed Voucher (€)	2021 Annual Remuneration (€)
(Start-End)	Name		(€)	Gross
(2018 - 2020)	Chairperson	Henrique António de Oliveira Troncho	575	-
(2018 - 2020)	Secretary	Ana Luísa Soares	375	-
(2018 - 2020)	Secretary	José António Brito Ramos	375	-
				0

Note: Eng. José António Brito Ramos resigned from office on 09 November 2021

Table 55: Board of the General Assembly

BOARD OF DIRECTORS

Mandate (Start-End)	Position	Name	Appointment		OPRLO or option through the Average of the last 3 years ⁽²⁾				No. of mandates
			Method ⁽¹⁾	Date	Yes/No	Entity of Origin	Paying Entity (O/D)	Identification of the date, authorisation and method	
(2018 - 2020)	Chairperson *	José Pedro Mendes Barbosa da Costa Salema	AG	23/05/18	Yes	EDIA	D	AG	3
(2018 - 2020)	Member **	Augusta Manuel Pereira de Jesus Cachoupo	AG	23/05/18	Sim	EDIA	D	AG	4
(2018 - 2020)	Member ***	Jorge Manuel Vazquez Gonzalez	AG	23/05/18	Sim	EDIA	D	AG	3

Caption:
(1) Indicate Resolution (R)/AG/DUE/Order (D)
(2) Option for the Remuneration of the Place of Origin or option for the average of the last 3 years – established in paragraphs 8 and 9 of article 28 of the EGP. Indicate paying entity (O–Origin/Destination)

Note:
* Start date of the 1st mandate – 2 December 2013
** Start date of the 1st mandate – 21 April 2010
*** Start date of the 1st mandate – 8 March 2012

Table 56: Board of Directors – composition

Note: The Board of Directors of EDIA was maintained in 2021, because, during the period under review, there was no appointment of new Governing Bodies for EDIA, and the Governing Bodies of the previous term of office remained in office

Member of the Board of Directors (Name)	Accumulation of Duties			
	Entity	Duties	Regime	Identification of the date, authorisation and method
	[Identify]	[Identify]	[Public/Private]	AG/DUE/D
José Pedro Mendes Barbosa da Costa Salema	-	-	-	-
Augusta Manuel Pereira de Jesus Cachoupo	-	-	-	-
Jorge Manuel Vazquez Gonzalez	-	-	-	-

Table 57: Board of Directors – accumulation of functions

Member of the Board of Directors (Name)	Public Manager Statute			
	Fixed	Classification	Monthly Gross Remuneration (€)	
	(Y/N)	(A/B/C)	Monthly Remuneration	Representation Expenses
José Pedro Mendes Barbosa da Costa Salema	S	B	4 864	1 946
Augusta Manuel Pereira de Jesus Cachoupo	S	B	3 891	1 557
Jorge Manuel Vazquez Gonzalez	S	B	3 891	1 557

Table 58: Board of Directors – Public Manager Statute

Member of the Board of Directors (Name)	Annual Remuneration (€)				
	Fixed ⁽¹⁾	Variable ⁽²⁾	Gross Value ⁽³⁾⁼⁽¹⁾⁺⁽²⁾	Remuneration Reductions ⁽⁴⁾	Final Gross Value ⁽⁵⁾⁼⁽³⁾⁻⁽⁴⁾
José Pedro Mendes Barbosa da Costa Salema	91 450	-	91 450	4 573	86 877
Augusta Manuel Pereira de Jesus Cachoupo	73 160	-	73 160	3 658	69 502
Jorge Manuel Vazquez Gonzalez	73 160	-	73 160	3 658	69 502
			237 770	11 889	225 881

Note:
(1) The value of fixed remuneration corresponds to remuneration + representation expenses (without reductions).
(4) Reduction foreseen in article 12 of Law no. 12–A/2010, of 30 June

Table 59: Board of Directors – remuneration

Member of the Board of Directors (Name)	Social Benefits (€)							
	Meal Allowance		Social Protection Regime		Annual Health Insurance Charge	Annual Health Insurance Charge	Other	
	Value / Day	Ammount Paid per Year	Identify	Annual Charges			Identify	Value
José Pedro Mendes Barbosa da Costa Salema	4,77	1 049	Social Security	20 633	360	-	-	-
Augusta Manuel Pereira de Jesus Cachoupo	6,91	1 534	Social Security	16 783	360	-	-	-
Jorge Manuel Vazquez Gonzalez	6,91	1 541	Social Security	16 783	360	-	-	-
		4 124		54 199	1 080	-		-

Table 60: Board of Directors – social benefits

Member of the Board of Directors (Name)	Charges with Vehicles								
	Assigned Vehicle	Conclusion of a Contract	Reference Value of the Vehicle	Modality ⁽¹⁾	Start Year	End Year	Monthly Rent Value	Annual Expenses with Rents	Contractual Instalments Remaining
	[Y/N]	[Y/N]	[€]	[Identify]			[€]	[€]	(N.º)
José Pedro Mendes Barbosa da Costa Salema	Y	08/10/17	21 651	Acquisition			-	-	-
Augusta Manuel Pereira de Jesus Cachoupo	Y	22/01/15	18 666	Acquisition	-	-	-	-	-
Jorge Manuel Vazquez Gonzalez	Y	20/02/15	18 666	Acquisition	-	-	-	-	-

(1) Acquisition; ALD; Leasing or other

Table 61: Board of Directors – vehicle expenses

Member of the Board of Directors (Name)	Annual expenses on business travel (€)					
	Business travel	Accommoda- tion Costs	Daily Allowances	Other		Total Travel Expense (Σ)
				Identify	Value	
José Pedro Mendes Barbosa da Costa Salema	418	1 040	1 029	-	-	2 487
Augusta Manuel Pereira de Jesus Cachoupo	0	391	1 104	-	-	1 495
Jorge Manuel Vazquez Gonzalez	0	2 369	703	-	-	3 072
						7 054

Table 62: Board of Directors – travel

SUPERVISION

Fiscal Council

Mandate (Start-End)	Position	Name	Chairperson		Monthly Fixed Remuneration Statute (€)	No. of Mandates
			Method ⁽¹⁾	Date		
(2018 - 2020)	Chairperson	Sara Alexandra Pereira Simões Duarte Ambrósio	AG	23/05/18	1362	1
(2018 - 2020)	Member (*)	Nelson Manuel Costa dos Santos	AG	23/05/18	1022	3
(2018 - 2020)	Alternate Member	Cristina Maria Pereira Mascarenhas Vieira Sampaio	AG	23/05/18	-	4

Caption:
(1) Indicate AG / DUE/Order
(*) Date of the first mandate: 27 March 2013

Table 63: Supervisory Board - composition/ ERFM

Note: It should be remembered that in 2021 no new Governing Bodies were appointed for EDIA, with the Governing Bodies of the previous three-year term of office (2018–2020) remaining in office unchanged.

me	Annual Remuneration(€)		
	Gross ⁽¹⁾	Remuneration Reductions ⁽²⁾	Final Value ⁽³⁾⁼⁽¹⁾⁻⁽²⁾
Sara Alexandra Pereira Simões Duarte Ambrósio	19 068	-	19 068
Nelson Manuel Costa dos Santos	14 301	-	14 301
Cristina Maria Pereira Mascarenhas Vieira Sampaio	-	-	-
			33 369

Table 64: Supervisory Board - remuneration

Statutory Auditor and Auditor Registered with the CMVM (Securities and Exchange Commission)

RCA – Rosa, Correia & Associados, SROC, S.A. began working on 19 December 2016, the date on which EDIA’s General Assembly elected the ROC (Statutory

Auditor) for the three-year period 2015–2017, and has been working at EDIA since then. It should be noted that the Statutory Auditor was elected to complete the 2018–2020 mandate by DUE of 30 May 2019.

Mandate (Start - End)	Statutory Auditor’s Identification				Appointment				
	Position	Name	Registration No. at OROC	Registration No. at CMVM	Method ⁽¹⁾	Date	Date of Contract	No. of Years with the Group	No. of Years in the Company
(2018 - 2020)	Revisor Oficial de Contas	RCA – Rosa, Correia & Associados, SROC, S.A., represented by Dr. Paulo Fernando da Silva Pereira, as Permanent Statutory Auditor and by Dr. Luis Francisco Pereira Rosa, as Alternate Statutory Auditor	143	20161455	AG	30/05/19	03/10/19	-	6

Table 65: Statutory Auditor – identification

Note: It should be remembered that in 2021 no new Governing Bodies were appointed for EDIA, with the Governing Bodies of the previous three-year term of office (2018–2020) remaining in office unchanged.

Name Statutory Auditor/FU	Annual Service Contract Value - 2021 (€) (*)			Annual Additional Services Value - 2021 (€)			
	Value ⁽¹⁾	Reductions ⁽²⁾	Final Value ⁽³⁾⁼⁽¹⁾⁻⁽²⁾	Identification of Service	Value ⁽¹⁾	Reductions ⁽²⁾	Final Value ⁽³⁾⁼⁽¹⁾⁻⁽²⁾
RCA – Rosa, Correia & Associados, SROC, S.A. Represented by Dr. Paulo Fernando da Silva Pereira,as Permanent Statutory Auditor	22 470	-	22 470	-	-	-	-

(*) The annual value of the contract corresponds to 22.5% of the monthly remuneration of the Chairperson of the Board of Directors. The amount of €22,470 is the amount paid in 2021 (VAT included).

Table 66: Statutory Auditor – remuneration



EXTERNAL AUDITOR

Identification of the External Auditor			Date of Hiring	Duration of the Contract	No. of Years with the Group	No. of Years in the Company
Name of the External Auditor	OROC No.	CMVM No.				

BDO & ASSOCIADOS, SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, Lda	29	20161384	27/01/20	2020-2022	-	2
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Table 67: External Auditor – identification

Name External Auditor	Annual Service Contract Value - 2021 (€) (*)			Annual Additional Services Value - 2021 (€)			
	Value ⁽¹⁾	Reductions ⁽²⁾	Final Value ⁽³⁾⁼⁽¹⁾⁻⁽²⁾	Identification of Service	Value ⁽¹⁾	Reductions ⁽²⁾	Final Value ⁽³⁾⁼⁽¹⁾⁻⁽²⁾

BDO & ASSOCIADOS, SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, Lda	32 327	-	32 327	-	-	-	-
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(*) The annual value of the contract is € 30,920. The amount of €32,327 corresponds to the amount paid in 2021 (VAT included).

Table 68: External Auditor – remuneration

The contractual auditing of EDIA’s accounts is carried out by BDO & Associados, Sociedade de Revisores Oficiais de Contas, LDA, and EDIA’s external auditor with the CMVM is RCA – Rosa, Correia & Associados, SROC, S.A, which performs the functions of Statutory Auditor (thus ensuring the legal revision of the accounts) and auditor registered with the CMVM for the purposes of the Securities Code.

BDO & Associados, Sociedade de Revisores Oficiais de Contas (registered with the OROC (Portuguese

Statutory Auditor Association) under number 29 and with CMVM number 20161384) provides services to EDIA, ensuring the audit of EDIA’s half-yearly and annual accounts, the objective of this service provision being to audit the Company’s accounts annually and half-yearly, in accordance with the legal obligations in force. The Statutory Auditor responsible for the contractual audit is Dr. Gonalo Raposo da Cruz, holder of number 1189 in the Order of Statutory Auditors (OROC) and registration number 20160800 in the CMVM.

7 - ARTICLES 32 AND 33 OF THE STATUTE OF THE PUBLIC MANAGER

Since April 2012 the remuneration of public managers has been regulated by the new Public Manager Statute (EGP), republished by Decree–Law no. 8/2012, of 18 January, object of Rectification Declaration no. 2/2012, of 25 January, in conjunction with the RCM no. 16/2012, which approves the criteria for determining the salary of public managers, and no. 36/2012, which approves the classification of public companies and public entities integrated in the National Health Service for the purpose of determining the salary of their managers, as well as the classifications assigned to the companies listed in its Annex in three groups (A, B and C), with EDIA classified in group B, with effects on the setting of the remuneration of the members of the governing bodies.

At the General Assembly No. 30 of 23 May 2018, the remuneration status of the members of EDIA’s Governing Bodies for the 2018–2020 term of office was set, also incorporating the Annual Statement

on Remuneration Policy for the members of EDIA’s Management and Supervisory Bodies.

On the other hand, also in line with what is stipulated in Article 32 of the EGP, and as republished by Decree–Law No. 8/2012, namely with regard to the application of the provisions of paragraphs 1 and 2 of Article 32 of the aforementioned Decree–Law, the Board of Directors of EDIA does not use credit cards or other payment instruments used by public managers, with the aim of making expenses at the service of EDIA, nor does it receive reimbursements for any expenses that fall under the concept of personal representation expenses.

The following tables systematize, respectively, the value of expenses associated with communications, and the amount of fuel and tolls allocated monthly to service vehicles (Articles 32 and 33 of the EGP).

Member of the Board of Directors (Name)	Communication Costs (€)		
	Fixed Monthly Ceiling	Annual Value	Remarks
José Pedro Mendes Barbosa da Costa Salema	80	132	-
Augusta Manuel Pereira de Jesus Cachoupo	80	136	-
Jorge Manuel Vazquez Gonzalez	80	132	-
		400	

Table 69: Board of Directors – communication costs



Member of the Board of Directors (Name)	Monthly Fuel and Tolls Ceiling	Annual expenses on Vehicles (€)			Remarks
		Fuel	Tolls	Total	
José Pedro Mendes Barbosa da Costa Salema	486	4 096	2 385	6 481	-
Augusta Manuel Pereira de Jesus Cachoupo	389	2 667	698	3 365	-
Jorge Manuel Vazquez Gonzalez	389	1 645	1 699	3 344	-
				13 190	

Table 70 – Board of Directors – expenses related to vehicles

8 - NON-DOCUMENTED EXPENSES

EDIA has no expenses of this nature recorded in its accounts.

9 - REPORT ON REMUNERATION PAID TO WOMEN AND MEN

The report on remuneration paid to women and men, as determined in paragraph 2 of the Council of Ministers Resolution No. 18/2014 of 7 March, was disclosed internally and is available on the EDIA

website at the following link.

<https://www.edia.pt/pt/quem-somos/edia/principios-do-bom-governo/>

10 - ANNUAL REPORT ON CORRUPTION PREVENTION

Taking into account the legal regulations applicable to SEE, the actions set out in the Plan for the Prevention of Risks of Corruption and Related Infractions (PPRCIC), the ethical commitment and mission of EDIA, in order to promote and ensure the proper functioning of its internal management within the scope of the monitoring of risk management policies and the Company's communication policy, the annual monitoring of the implementation of the PPRCIC substantiated through the Annual Report on the Implementation

of the Plan for the Prevention of Risks and Related Infractions (2021).

The Summary Report on the Implementation of the Plan for the Prevention of Risks of Corruption and Related Infractions (PPRCIC) is available on EDIA's institutional website.

<https://www.edia.pt/pt/quem-somos/edia/principios-do-bom-governo/>

11 - PUBLIC PROCUREMENT

With regard to the application of Public Procurement Standards, EDIA is subject to the Public Contract Code (CCP), approved by Decree-Law No. 18/2008 of 29 January, by virtue of the provisions of its Article 2(2)(a). In the application of public procurement rules, EDIA is guided by the principles of equality, non-discrimination and transparency set out in national and European public procurement law, without losing sight of other equally relevant values such as economy or sound financial management of public resources and the selection of the most suitable proposal for the public interest. The decisions authorising expenses are based on information which justifies the need to contract and proposes the most appropriate procedure, following the procedure established in the CCP and the procedural rules established in internal regulations, bearing in mind the need to disaggregate functions and objectify the parts of each procedure, particularly in terms of defining the respective award criteria. The guidelines issued by the Ministry of Finance on the procurement of services by public companies, in particular services, have also been incorporated into the public procurement procedures implemented at EDIA.

For several years EDIA has been implementing a set of measures that allowed a significant reduction in the average cost of purchases per employee, thus anticipating some of the measures now being addressed. On the other hand, and following the implementation of these measures and the concomitant effect seen in terms of cost reduction, their maintenance has been the main concern, without neglecting the possibilities that arise within the scope of possible additional reductions in these costs.

The development of the adjudication procedures foreseen in the CCP commonly used in the Company, that is, the public tender, the prior consultation, and the direct adjustment according to the general regime foreseen therein is carried out on an electronic platform, in line with the dematerialisation already operated within the scope of the Company's internal document management.

Also, within the scope of the manuals for the acquisition of merchandise or services, the awarding of contracts must be preceded by justification of the need to contract, both from the economic point of view and the absence of internal solutions, as well as an explanation of the objectives to be achieved from the point of view of a cost-benefit analysis.

On the other hand, and with regard to the justification of the realisation of each expense, the need to use competitive procedures has been given substance, requiring, in the manuals for the acquisition of merchandise or services in force in the Company, that the option to invite a single entity to participate in the procedure must always be accompanied by technical, economic, urgent or other justification, so as not to widen the universe of competitors.

Once the guideline was defined so that the price factor would assume increasing weight in the award criteria, gains were thus sought not only in terms of efficiency and rationalisation but also of transparency. A computer application was also implemented to facilitate the control of the limits established by no. 2 of article 113 of the Public Contract Code during the selection and proposal of the entities to be invited.

With regard to the recommendation to encourage companies to sound out their internal competences, throughout this report several references are made to the significant effort made by EDIA to develop its activity with the same or, if possible, fewer resources, a strategy that continued to be pursued in 2021, without jeopardising the pursuit of planned activities.

Finally, bearing in mind the budget containment measures, in articulation with all the guidelines issued by the Financial Supervisory Authority regarding the control measures and execution of public expenditure, the competences for the realisation of expenses and matters of acquisition

of merchandise and services are defined in the Service Order no. 1/2013, which aims to establish clear and effective rules for the management of the Company's financial resources. This document defines in a detailed way:

- A tiered hierarchy of delegation of powers by levels of responsibility; and
- The form of approval, checking and validation of the expenditure incurred.

In 2021 no contracts were signed whose value legally requires obtaining the prior approval of the Court of Auditors.

12 - NATIONAL PUBLIC PROCUREMENT SYSTEM

In the procurement of merchandise and services required for its activity, EDIA scrupulously complies with the legislation in force and the guidelines issued by its Shareholder. The existence of a governance model clearly known by all employees, with diversified attributions of competences, and of central purchasing services, allows economies of scale to be obtained that have proven to be efficient and advantageous in the management of the Company. In this regard, the results obtained in the areas of IT service provision, mobile communications, asset management and consumables stand out.

It should also be noted that EDIA has already dematerialised the entire cycle of the public procurement procedure. Internally, from the

authorisation of expenditure, validated on the document management platform and supported by SAP, and in terms of the relationship with suppliers through the use of an electronic public procurement platform, interconnected with the Official Portal for Public Procurement.

Finally, and given the context of the need to contain costs, the guideline was also defined so that the price factor assumes significant weight in the awarding criteria adopted, and that these are preceded by adequate support and justification of the need to contract and an analysis of the non-existence of alternative internal solutions, seeking in this way to obtain gains not only in terms of efficiency and rationalisation, but also transparency.

13 - MEASURES TO OPTIMISE THE STRUCTURE OF OPERATING EXPENSES

OPERATIONAL EFFICIENCY	EUR							
	2021 Exec.	2021 Bud.	2020 Exec.	2019 Exec.	2021/2020		2021/2019	
					△ Absol.	Var. %	△ Absol.	Var. %
(0) EBITDA	16 276 062,42	14 662 396,00	11 569 902,00	10 140 058,00	4 706 160,42	40,68%	6 136 004,42	60,51%
(1) CMVMC	74 598,99	73 711,00	69 178,00	60 689,00	5 420,99	7,84%	13 909,99	22,92%
(2) FSE	30 874 627,63	32 463 035,00	38 629 323,00	25 034 798,00	-7 754 695,37	-20,07%	5 839 829,63	23,33%
(2.i) Secondary Network Investment	10 232 062,15	9 736 773,06	16 931 707,00	3 381 190,00			6 850 872,15	
(3) Staff Costs	6 776 731,13	6 903 853,00	6 601 620,00	6 319 342,00	175 111,13	2,65%	457 389,13	7,24%
i. Severance pay	925,32	5 000,00	925,00	1 407,00	0,32	0,03%	-481,68	-34,23%
ii. Remunerations	151 540,00	130 000,00	137 209,00	184 524,00	14 331,00	10,44%	-32 984,00	-17,88%
iii. Impact of IRCT application							0,00	
(4) Staff costs without impacts i, ii and iii	6 624 265,81	6 768 853,00	6 463 486,00	6 133 411,00	160 779,81	2,49%	490 854,81	8,00%
(5) Impact of COVID-19 pandemic on Operating Expenses)			70 751,00	0,00	-70 751,00	-100,00%	0,00	
(6) Operating costs for the purpose of calculating operating efficiency= (1)+(2)+(3)-(5)	27 493 895,60	29 703 825,94	28 297 663,00	28 033 639,00	-803 767,40	-2,84%	-539 743,40	-1,93%
(7) Turnover (VN)	35 599 907,32	36 122 561,00	35 539 712,00	32 958 960,00	60 195,32	0,17%	2 640 947,32	8,01%
Operating Subsidies	288 818,14	489 161,00	565 426,00	144 815,00	-276 607,86	-48,92%	144 003,14	99,44%
Compensatory Indemnities							0,00	
(8) Loss of revenue due to pandemic by COVID-19(a)							0,00	
(9) Turnover for the purposes of calculating operating efficiency (7+8)	35 599 907,32	36 122 561,00	35 539 712,00	32 958 960,00	60 195,32	0,17%	2 640 947,32	8,01%
(10) Expense/VN weight = (6)/(9)	0,77	0,82	0,80	0,85	-0,02	-3,00%	-0,08	-9,20%
i. Travel and accommodation costs (FSE)	9 461,30	21 500,00	6 816,00	21 213,00	2 645,30	38,81%	-11 751,70	-55,40%
ii. Expenses with daily allowances (G with Staff)	9 210,77	24 000,00	10 177,00	24 566,00	-966,23	-9,49%	-15 355,23	-62,51%
iii. Costs associated with vehicle fleet)	648 219,49	666 436,00	634 980,00	704 262,00	13 239,49	2,09%	-56 042,51	-7,96%
(11) Total = (i) + (ii) + (iii)	666 891,56	711 936,00	651 973,00	750 041,00	14 918,56	2,29%	-83 149,44	-11,09%
(12) Expenses with studies, opinions, projects and consultancy services	307 232,41	315 010,00	307 286,00	315 605,00	-53,59	-0,02%	-8 372,59	-2,65%
Total Number of HR (OS+CD+Employees)	184	197	184	185	0,00	0,00%	-1,00	-0,54%
No. of Governing Bodies (OS)	5	6	5	6	0,00	0,00%	-1,00	-16,67%
No. of Directors (CD)	24	24	24	24	0,00	0,00%	0,00	0,00%
No. of Employees (no OS and no DC)	155	167	155	155	0,00	0,00%	0,00	0,00%
No. of Employees/DC	6,46	6,96	6,46	6,46	0,00	0,00%	0,00	0,00%
No. of Vehicles	81	81	81	80	0,00	0,00%	1,00	1,25%

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

b) Vehicle expenses should include: rentals/mortgages, inspections, insurance, tolls, fuel and/or electricity, maintenance, repairs, tyres, fees and taxes.

Table 71: Reduction of Operating Costs

The year 2020 was an atypical year for most companies, including EDIA. Due to COVID-19 a part of the activities had to be reprogrammed, reducing the associated expenses, such as travel and accommodation expenses, expenses with daily allowances and fleet expenses. In 2021, a recovery of these activities to the level of 2019 was already felt, thus noting that most of the values realised despite being higher than in 2020, are still lower than in 2019.

With regard to the vehicle fleet, there was also an increase in the average price of fuel in 2021. On 31 December 2021, EDIA’s vehicle fleet was composed of 81 vehicles.

Following the guidelines transmitted by the Tutelage, the Company, despite the strong component of the operation, operation, and maintenance of irrigation perimeters, according to the programming of activities approved by the State Shareholder, has managed to stabilise its overall number of employees, favouring the redistribution of tasks among employees already in its service, through the adoption of internal mobility policies. In fact, on 31 December 2011, EDIA’s workforce consisted of 189 employees, having increased to 188 in 2012, 187 employees

in 2013, 185 employees in 2014 and 2015 and 179 employees in 2016, 2017, 2018, 2019, 2020 and 2021.

In relation to the executed values, the 2.65% increase in Personnel Costs is justified by the attribution of remuneratory valorisations for 2021, due to salary progressions. There is also a reduction in the absenteeism rate in 2021.

In accordance with its objectives and statutes, the strong commitment of EDIA’s human resources was demonstrated, in a particularly expressive way, by strengthening the appreciation and introduction of the concepts of flexibility and versatility within the organisation, a fact that gave rise to the transfer of employees between areas, reinforcing the areas of operation and equipment maintenance. The policy pursued by EDIA throughout the year focused on redirecting some of its human resources to new areas of activity of the organisation, through the conversion of the tasks for which they became responsible. It should be noted that this increase and diversification of the Company’s activities was carried out on the basis of a frankly deficient staff and with much higher volumes of work per employee than normal and advisable.

14- CONTRACTING STUDIES, OPINIONS, PROJECTS, AND CONSULTANCY

In these cases, in the information supporting the expense, submitted for the approval of the Board of Directors, or in its explanation, personally,

a justification is presented for the need and impossibility of resorting to own resources.

15 - PRINCIPLE OF THE UNITY OF STATE TREASURY

EDIA, under Decree-Law No. 191/99 of 5 June, which approves the State Treasury System and Article 28 of Decree-Law No. 133/2013 of 3 October, legislation establishing the principles and rules applicable to the public business sector, is part of the universe of bodies subject to the rules on the State Treasury Unit (UTE) and, consequently, has accounts opened with the IGCP, EPE (IGCP) through which it must carry out all financial transactions, meeting the compliance with the Principle of Unity of Treasury (PUT) provided for under Article 28 of Decree-Law No. 133/2013 of 3 October.

However, due to the nature and diversity of financial operations, both by virtue of the rules on the use of EU funds, and limitations on the functionalities and services provided by IGCP, as “public treasury bank” (namely medium and long-term bond loans, as well as bank guarantees), EDIA has to contract some services/products in commercial banking, so that the normal functioning of financial services is not compromised. It should be noted that at the end of the year 2021 the rate of centralisation of funds in IGCP was 89.20%.

Considering that compliance with the rules of the UTE can be waived annually, by means of authorisation from the holder of the shareholder function in the case of Public Companies (EP), in view of the context and the constraints presented, EDIA requested the waiver of full concentration of the Company’s cash and cash equivalents with the IGCP for the year 2020 under Article 28 of Decree-Law No. 133/2013 of 3 October. On 22 December 2020, EDIA received a letter from the Treasury and Public Debt Management Agency, to exempt from compliance with the UTE, for the years 2020 and 2021, only the following services:

- a. The amounts strictly necessary for loading meal cards; and
- b. The values of bank guarantees that cannot be replaced by escrow deposits.

The remaining amounts should therefore be handled by EDIA through accounts in the IGCP, by using the banking services provided by this Agency.

Commercial Banking*	1st Quarter €	2nd Quarter €	3rd Quarter €	4th Quarter €
Novo Banco	79 112,86	0,00	0,00	0,00
Banco Comercial Português	8 574,76	8 813,80	8 955,59	178,98
Caixa Geral de Depósitos	18 817,48	69 839,98	2 470,41	17 836,53
Santander-Totta	28 712,79	28 350,35	27 855,11	29 037,60
Caixa de Crédito Agrícola	2 822,73	1 743,90	1 179,24	24 850,07
Banco Português de Investimento	2 934,75	2 763,42	1 780,10	1 654,02
Caixa Banco Investimento	2 073,95	2 073,95	2 073,97	2 073,97
Total	143 049,32	113 585,40	44 314,42	75 631,17
Interest earned**				

* - Identify the institution with which the cash and cash equivalents and/or financial applications are held, adding the necessary lines.
** - Identify the interest earned on all financial investments with Commercial Banking.

	1st Quarter €	2nd Quarter €	3rd Quarter €	4th Quarter €
IGCP	8 476 349,97	2 851 791,51	1 993 774,85	624 761,78

Tables 72 and 73: State Treasury Unit

EDIA has accounts at the Commercial Bank which it uses as accounts receiving receipts from customers, from which it periodically makes transfers to the IGCP account, where all other movements are centralised and from which all payments are made, i.e. the balances shown relate to collections received.

To alleviate this situation, EDIA is promoting among its various customers that all payments be made directly to the IGCP account, in order to cancel the receipts outside this institute.

The commercial bank accounts are not remunerated, so EDIA does not earn any income from them.

16 - RECOMMENDATIONS RESULTING FROM COURT OF AUDITORS' AUDITS

The Court of Auditors did not conduct any audit of EDIA during the last three years, i.e. 2019, 2020 and 2021.

17 - DEVELOPMENT AND DISSEMINATION OF THE EQUALITY PLAN

EDIA has complied with the provisions of the Normative Order No. 18/2019, of 21 June 2019, having proceeded with the preparation and dissemination of the Equality Plan for the competent entities.

The Equality Plan is available on EDIA's institutional website.

<https://www.edia.pt/pt/quem-somos/edia/principios-do-bom-governo/>

18 - PREPARATION AND DISCLOSURE OF NON-FINANCIAL STATEMENTS

Not applicable. On 31 December 2021 EDIA had 179 employees on its staff.

19 - INFORMATION REPORTED SIRIEF

The information, concerning the execution of the year 2021, reported in this report is consistent with the information reposted under SIRIEF.

20 - INFORMATION ASSOCIATED WITH COVID-19

Economic activity in 2021, in Portugal and the rest of the world, was deeply affected by the COVID-19 pandemic, due to the containment measures and the impact on the behaviour of economic agents.

In Portugal, the state of emergency declared in 2020 was maintained until the end of April, after which a state of calamity was declared, which was maintained until the end of May. This situation caused major constraints in the activities of companies. At EDIA, with the effort of all those involved, the activities vital for its proper functioning were essentially guaranteed.

In this period Order No. 4146-A/2020¹⁰, of 03 April (regulation specifically applicable to EDIA/EFMA), issued by the Office of the Minister of Agriculture, establishes in its paragraph 4, the following guidelines concerning EDIA, during the context of the pandemic:

"4 - In order to ensure the continuity and uninterruptedness of the provision of public water supply services for the exercise of agricultural activity, the Empresa de Desenvolvimento e Infraestruturas do Alqueva, S. A., must continue to guarantee the following essential activities:

- Management and operation of the supply systems, ensuring the functioning of the supply and distribution networks, as well as all the equipment and infrastructure;*
- the immediate assessment and reporting of disturbances in the exercise of the activities provided for in the preceding subparagraph*

In this context, the Company has taken various measures, of which the following are highlighted:

- Drawing up and approval of a Specific Contingency Plan;
- Acquisition of hygiene and protection products, namely alcohol gel, masks, visors, among others;
- In cases where the nature of the functions allows it, employees have been placed on teleworking;
- Reduction in the number of employees to 1 in each room/office, with weekly rotation; and
- Customer service is now provided by telephone and/or e-mail.

¹⁰- Order No. 4146-A/2020 - Establishes the essential services and necessary measures to guarantee normal conditions of production, transport, distribution and supply of agricultural and livestock goods and services, and those essential to the agri-food chain, within the scope of the powers of the bodies and services of the Ministry of Agriculture..

Measures to protect against the pandemic have been reinforced, complying with the Specific Contingency Plan approved in March 2020, as well as the guidelines issued by the Directorate General of Health (DGS).

The support work carried out in this context of the pandemic should be highlighted, particularly with regard to teleworking and the repair of VPN systems, in order to ensure the regular operation of the services provided by the Company.

Despite the measures taken, due to the restrictions and limitations deriving from the contingency plans related to COVID-19, various works associated with different areas of the Company suffered some constraints.

In the **Noudar Nature Park**, the tourism component of its activities was, as last year, strongly conditioned. The PNN was closed to the public during the first quarter, having reopened on 5 April.

Also, most of the scheduled events were cancelled due to the contingencies imposed by the pandemic situation.

The **Luz Museum** was closed during the first quarter, having reopened to the public on 6 April. For this reason, there was a decrease in the number of visitors in relation to the same period of the

previous year, due to the context that caused the Museum's activities to stop, as mentioned above.

The **Alqueva Interpretation Centre** was also closed to the public throughout the first quarter. Despite the partial and phased lifting of the restrictions imposed by the restrictive measures in the fight against Covid-19, since it was not done at a national level, but rather by risk municipalities, the CIAL remained closed until the first week of May.

Impact of COVID-19 on expenditure and revenue

At the level of executed expenses, under the COVID-19 Contingency, the amount of EUR 8,181.55 was recorded at the end of December. The impact of this increase in expenses was partly offset by the reduction in some variable costs, resulting from the adoption of the teleworking regime, such as fuel costs, tolls and parking, travel and accommodation and representation expenses.

In revenues, in the water distribution and energy activity, there is no variation in own revenues associated with COVID-19, but in the PNN the value of service provision registered a drop of around EUR 79,394.

21 - INFORMATION DISCLOSED - DGTF

Information on the SEE's Website	DISCLOSURE		REMARKS
	Y/N/N.A.	UPDATE DATE	
Articles of Association	Y	24 of March 2021	-
Characterisation of the Company	Y	08 of March 2019	-
Guardianship and Shareholder Role	Y	03 of March 2020	-
Governance Model/Members of the Corporate Bodies			
Identification of the Corporate Bodies	Y	15 of March 2021	-
Fixed Remuneration Status	Y	15 of March 2021	-
Disclosure of the remuneration received by the Governing Bodies	Y	24 of March 2021	-
Identification of the functions and responsibilities of the members of the Board of Directors	Y	20 of August 2020	-
Disclosure of the curricular summaries of the members of the Governing Bodies	Y	15 of March 2021	-
Public Financial Effort	Y	11 of May 2021	-
Summary Sheet	Y	10 of May 2021	-
Historical and Current Financial Information	Y	30 of March 2021	-
Principles of Good Governance			
Internal and External Regulations to which the Company is subject	Y	30 of March 2021	-
Relevant transactions with related entities	Y	25 of March 2021	-
Other transactions	Y	25 of March 2021	-
Analysis of the Company's Sustainability in the areas of			
Economic	Y	15 of March 2021	-
Social	Y	15 of March 2021	-
Environmental	Y	15 of March 2021	-
Evaluation of Compliance with Good Governance Principles	Y	14 of April 2021	-
Code of Ethics	Y	04 of October 2018	-

Table 74: Information to count on the SEE website

SYSTEMATISATION OF INFORMATION ON COMPLIANCE WITH LEGAL GUIDELINES

Compliance with Legal Guidelines - 2021	Compliance	Quantification / Identification	Justification/Reference to Report Item (page)
	Y/N/N.A		
Management Objectives	N.A.		122
Goals to be achieved contained in the PAO 2021			
Investment	Y	99,64%	130
Level of Indebtedness	Y		132
Execution Level of the Budget uploaded in SIGO/SOE			
Projects	Y		
Expenses	Y	89%	136
Revenue	Y	89,5%	137
Activities	Y		
Expenses	Y	96%	138
Revenue	Y	96%	138
Financial Risk Management	Y	0,85%	140
Debt Growth Limits	Y	0,16%	146
Evolution of PMP to Suppliers	Y	+22 (125)	147
Disclosure of Delays in Payments ("Arrears")	Y	0,00 €	147
Shareholder's Recommendations on the last approval of Accounts			
Recommendation a): Comply with the objective of timely payment to suppliers in accordance with the criteria defined in the RCM (Resolution of the Council of Ministers) no. 34/2008, of 14 February	N		148
Recommendation b): Comply with the provisions of Article 158(3)(a) of the 2019 DLEO with respect to staff costs	Y		this result does not consider the variation in absenteeism page 148
Reservations issued in the last CLC			
Reservation 1:			
Remunerations/Fees			
Non-attribution of management bonuses	Y		151
CA – remuneration reductions in force in 2021 (if applicable)	Y	5% reduction in salaries, as provided for in Article 1(1) of Law No. 12-A/2010 of 30 June	151

Supervisory Board (CF/ROC/FU) – remuneration reductions effective in 2021 (if applicable)	N.A.		154
External Auditor – remuneration reductions effective in 2021 (if applicable)	N.A.		156
EGP – article 32 and 33 of the EGP			
Non-use of credit cards	Y		157
Non-reimbursement of personal representation expenses	Y		157
Maximum value of expenses associated with communications	Y		157
Maximum monthly value of fuel and tolls allocated to company vehicles	Y		158
Non-documented or confidential expenses – article 16(2) of the RJSPE and article 11 of the EGP			
Prohibition of non-documented or confidential expenses	Y		158
Promotion of equal salaries between women and men – paragraph 2 of the RCM no. 18/2014			
Preparation and disclosure of the report on remuneration paid to women and men	Y	https://www.edia.pt/pt/quem-somos/edia/principios-do-bom-governo/	158
Preparation and dissemination of the Annual Report on Corruption Prevention	Y	https://www.edia.pt/pt/quem-somos/edia/principios-do-bom-governo/	158
Public Procurement			
Application of public procurement rules by the Company	Y		159-160
Application of public procurement rules by subsidiaries	N.A.		159-160
Contracts submitted for prior approval by the TC	N		160
Adherence to the National Public Purchasing System	Y		160
Operating Expenses of Public Companies	Y		161
Contracting of studies, opinions, projects and consultancy services (article 49 of 2019 DLEO)	Y		162
Principle of Unity of State Treasury (Article 28 of DL no. 133/2013)	Y		163
Cash and cash equivalents and applications centralized in IGCP	N	89,20% (624.761,78€)	163-164
Cash and applications at the Commercial Bank	Y	75.631,17€	163
Interest earned in breach of UTE and delivered as State Revenue	Y	0,00 €	163
Audits by the Court of Auditors			
Recommendations	N.A.		164
Preparation of the Equality Plan as required by Article 7 of Law 62/2017, of 1 August	Y	https://www.edia.pt/pt/quem-somos/edia/principios-do-bom-governo/	164
Presentation of the non-financial statement	N.A.		164

Table 75: Systematisation of Information on Compliance with Legal Guidelines



CHAPTER 03

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

CERTIFICATIONS AND REPORTS OF THE
AUDITORS AND SUPERVISORY BOARD

COMPLIANCE STATEMENT

STATEMENT ON THE REMUNERATION
POLICY OF THE MEMBERS OF EDIA,
S.A.'s MANAGEMENT AND SUPERVISORY
BODIES AS PROVIDED FOR IN LAW
28/2009

Statement of Financial Position

EUR			
Financial Position Statement		Notes	31/Dec/2131/Dec/20
ASSETS			
Non-Current Assets			
Tangible Fixed Assets	6	14 073 076	13 307 158
Investment Property	7	1 040 075	1 921 262
Intangible Assets	8 e 19	320 902 004	325 668 881
Rights to Use Assets	8	541 199	-
Financial Investments – Other Methods	9	276 571	276 571
Other Financial Assets		6 463	4 690
Other Accounts Receivable	16	175 949 543	181 960 921
Captive Deposits	11	90 745	90 745
		512 879 675	523 230 228
Current Assets			
Inventories	12	13 833 265	24 984 843
Customers	13	5 104 944	5 147 737
Advances to Suppliers	14	5 958	13 834
State and Other Public Entities	15	1 420 861	861 467
Other Accounts Receivable	16	243 279 308	218 264 091
Deferrals	17	289 777	110 108
Cash and Bank Deposits	4	775 034	8 430 247
		264 709 146	257 812 327
Total Assets		777 588 821	781 042 555
EQUITY AND LIABILITIES			
Equity			
Paid-up Capital	18	913 158 750	860 334 960
Other Reserves	18	9 202 700	9 202 700
Retained Earnings	18 e 19	(821 895 988)	(808 040 794)
Net Profit for the Period		(9 855 509)	(13 855 194)
Total Equity		90 609 953	47 641 672
Non-Current Liabilities			
Provisions	20	37 770 976	34 222 810
Financing Obtained	21	116 942 245	116 666 964
Lease liabilities	21	463 380	
Deferrals	17	367 270 531	381 782 995
		522 447 132	532 672 769
Current Liabilities			
Suppliers	22	2 416 261	5 283 169
Advances from Customers		16 710	9 558
State and Other Public Entities	15	284 121	244 842
Financing Obtained	21	132 878 809	159 255 621
Lease Liabilities	21	77 819	
Other Accounts Payable	22	14 333 480	21 410 390
Deferrals	17	14 524 535	14 524 535
		164 531 736	200 728 114
Total Liabilities		686 978 868	733 400 883
Total Equity and Liabilities		777 588 821	781 042 555

Table 76: Statement of Financial Position

The Certified Accountant

The Board of Directors

Statement of Comprehensive Income

EUR			
Comprehensive Income Statement		Notes	20212020
Sales and Services Rendered		13	35 599 90735 539 712
Operating Subsidies			288 818565 426
Variation in Production Inventories		23	11 046 78417 710 972
Own Work Capitalised		24	902 994869 536
Cost of Goods Sold and Consumed			(74 599)(69 178)
External supplies and services		25	(30 874 626)(38 629 323)
Staff costs		26	(6 776 731)(6 601 620)
Provisions (Increases/Reductions)		20	(2 620 359)(5 763 775)
Impairment of Debts Receivable (Losses/Reversals)		19	287 179(799 762)
Impairment of Non-Depreciable/Amortisable Investments (Losses/Reversals)		9	50 000-
Other Income and Gains		27	8 720 4828 910 899
Other Expenses and Losses		28	(273 786)(162 985)
Income Before Depreciation, Financing Costs and Taxes			16 276 06211 569 902
Depreciation and Amortisation Costs/Reversals		30	(6 131 202)(5 735 262)
Impairment of Depreciable/Amortisable Investments (Losses/Reversals)		19	(17 841 728)(16 879 178)
Operating Profit (Before Financing Costs and Taxes)			(7 696 868)(11 044 537)
Interest and Similar Costs		29	(2 129 006)(2 765 442)
Profit Before Tax			(9 825 874)(13 809 980)
Income Tax for the Period		10	(29 636)(45 214)
Net Profit for the Period			(9 855 509)(13 855 194)
OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY			
Other Comprehensive Income for the Period			
Comprehensive Income for the Period			(9 855 509)(13 855 194)
NET PROFIT PER SHARE			
Basic			-0,054-0,081
Diluted			-0,054-0,081

Table 77: Statement of Comprehensive Income

The Certified Accountant

The Board of Directors

The Certified Accountant

The Board of Directors

Statement of Changes in Equity

EUR

Changes in Equity Statement	Paid-up Capital	Adjustments in Financial Assets	Other Reserves	Retained Earnings	Net Profit for the Period	TOTAL
Balance at 31 December 2019	838 810 320	0	9 202 700	(805 369 958)	(2 670 836)	39 972 226
Net Profit for the Period					(13 855 194)	(13 855 194)
Total Comprehensive Income for the Period					(13 855 194)	(13 855 194)
Appropriation of Net Profit for 2019				(2 670 836)	2 670 836	0
Increase in Paid-up Capital	21 524 640					21 524 640
Balance at 31 December 2020	860 334 960	0	9 202 700	(808 040 794)	(13 855 194)	47 641 672
Net Profit for the Period					(9 855 509)	(9 855 509)
Total Comprehensive Income for the Period					(9 855 509)	(9 855 509)
Application of the Net Profit of 2020				(13 855 194)	13 855 194	0
Increase in Paid-up Capital	52 823 790					52 823 790
Balance at 31 December 2021	913 158 750	0	9 202 700	(821 895 988)	(9 855 509)	90 609 953

Table 78 Statement of Changes in Equity



Statement of Cash Flow

EUR

Cash Flows Statement	2021	2020
Operating Activities:		
Receipts from Customers	37 916 259	42 316 749
Payments regarding:		
Suppliers	(38 772 165)	(41 438 634)
Staff	(6 833 223)	(6 556 616)
Cash Generated From Operations	(7 689 129)	(5 678 502)
Income Tax Payment/Receipt	(44 914)	(72 136)
Other Receipts/Payments Relating to Operating Activities	(2 205 093)	1 302 343
Cash Flows from Operating Activities	(9 939 137)	(4 448 294)
Investment Activities:		
Receipts regarding:		
Tangible Fixed Assets	12 760	22 129
Investment Grants	37 959	2 515 487
Interest and Similar Income		4 304
	50 719	2 541 920
Payments regarding:		
Tangible Fixed Assets	(391 271)	(1 192 287)
Intangible Assets	(22 360 058)	(11 246 922)
	(22 751 329)	(12 439 209)
Cash Flows from Investment Activities	(22 700 610)	(9 897 289)
Financing Activities:		
Receipts Arising from:		
Paid-up Capital	52 823 790	21 524 640
Hedging of Losses		
Financing Obtained	7 000 000	
	59 823 790	21 524 640
Payments regarding:		
Financing Obtained	(33 116 097)	(9 957 885)
Financial Lease Contracts		
Interest and Similar Costs	(1 723 160)	(1 959 433)
	(34 839 257)	(11 917 317)
Cash Flows from Financing Activities	24 984 533	9 607 323
Changes in Cash and Cash Equivalents	(7 655 213)	(4 738 260)
Cash and Cash Equivalents at the Beginning of Period	8 430 247	13 168 507
Cash and Cash Equivalents at the End of the Period	775 034	8 430 247

Table 79: Statement of Cash Flow

NOTES TO THE FINANCIAL STATEMENTS

1. Brief Description of the Company

EDIA – Empresa de Desenvolvimento e Infra-estruturas do Alqueva (hereinafter “EDIA”, “Company”, or “Entity”) was set up through Decree-Law No. 32/95 of 11 February 1995, under which it became the holder of all the rights and obligations that belonged to the Alqueva Installing Commission. Its share capital is wholly owned by the Portuguese State, through the DGTF. On 31 December 2021, the Capital is 100% subscribed and paid up.

In accordance with the provisions of Article 2 of that diploma, as amended by Decree-Law No. 232/98 of 22 July, No. 335/01 of 24 December and No. 42/07 of 22 February, EDIA’s corporate object is currently:

- The use of the public waterways domain allocated to EFMA for irrigation and hydroelectric operation purposes, under the terms of the contract entered into with the Ministry of the Environment, Spatial Planning and Regional Development, representing the State;
- The design, implementation and construction of the infrastructures forming the EFMA primary system, as well as their management, operation, maintenance, and conservation;
- The design, implementation and construction of the infrastructures forming part of the secondary network assigned to EFMA, on behalf of the State and in accordance with the instructions given by the Ministry of

Agriculture, Sea, Environment and Spatial Planning; and

- The promotion, development, and pursuance of other economic activities whose benefits contribute to improving the conditions of use of the resources allocated to EFMA.

Following the consolidation of the energy exploitation potential, not exclusively hydroelectric, which is an important potential source of revenue as well as an important complement to the irrigation component, Decree-Law No 313/2007 was published on 17 September, approving the bases of the concession contract to be signed between EDIA and the conceding State. This decree established the granting of operating rights for the Alqueva and Pedrógão hydroelectric power plants, respecting the rights acquired by third parties under previous legislation.

In view of the legislation in force that regulates the water resources sector, EDIA appears as the concessionaire for the management and operation of the Development and also as the holder, on an exclusive basis, of the rights to the private use of the public waterways domain allocated to EFMA for the purposes of irrigation and hydroelectric operation.

On 17 October 2007, the Company signed the concession contract with the Ministry of the Environment, Planning, Territory and Regional Development, which regulates the use of water resources to capture water for irrigation and electricity generation in the EFMA primary system.

On 24 October 2007, a contract was signed between EDIA and EDP – Gestão da Produção de Energia, S.A. (EDP), which awarded EDP the operation of the Alqueva hydroelectric plants (260 MW), under the market regime, and Pedrógão (10 MW), under the special regime, for 35 years. This contract also establishes the rights of private use of the respective water domain, having boosted the electrical value of the Alqueva-Pedrógão system.

In April 2013, EDIA signed with DGADR a “Concession Contract on the Management, Operation, Maintenance and Conservation of the EFMA Secondary Network Infrastructures”, ending on 31 December 2020. This contract establishes that EDIA (concessionaire) will deliver to the State (grantor), represented by DGADR, the infrastructure relating to the secondary network, drainage and agricultural roads, the merchandise and equipment necessary for its operation and exploitation, and the areas acquired and expropriated for the implementation of the infrastructure of EFMA hydro-agricultural facilities.

The projects to be developed in each of the main investment programmes (Alqueva dam; Alqueva power plant; Pedrógão dam and power plant; Álamos pumping station; primary network; secondary network and regional development) are practically defined, given that practically all the projects are completed or underway. Only some projects of the 2nd phase of EFMA and photovoltaic projects are at an early stage. This way, the best possible estimates are indicated in light of the information currently available, given that the COVID-19 years (2020 and 2021) and more recently the conflict in Ukraine, have a very significant economic impact, with repercussions on investment forecasts, which in an initial phase were quantified at an increase of 30% of the expected value of investment.

Whereas:

- At the meeting of the Board of Directors of 13 March 2018, the multi-annual reprogramming was approved, which includes the values executed up to 2017 and the investment forecasts for the following years, in the global amount of EUR 2,639.32 million. The difference from the previous forecast of EUR 2,556 million is essentially due to the investment now planned for the construction of the Alqueva Photovoltaic Park, in the amount of EUR 50 million;
- The 30% increase in the forecast of investments to be made represents for now an increase of EUR 50 million, which was evident in the value of the projects applied for in the 3rd PNRegadios notice, launched in January 2022, with an available budget of EUR 127,000,000, projects worth around EUR 177,000,000 were submitted;
- By the end of 2021, of the total planned investment, without capitalizations, EUR 2,428.85 million were made, approximately 92% of the total. Within the scope of applications for EU funding, EDIA obtained, until that date, EUR 1,244.11 million of EU funds, about 51% of the investment made. To face the national counterpart of the investments supported by EAGGF-O and EAFRD, under CSF III, PRODER and PDR2020, EUR 153 million were obtained from PIDDAC. The funding required both for the remaining national counterpart of the projects supported by EU funds, as well as for other expenses (operating and financial charges), originated from capital appropriations (EUR 946.6 million), of which EUR 33.47 million through loss coverage, bank, and bond loans and from the DGTF, whose outstanding

amounts at this date are EUR 116.68 million and EUR 133.14 million, respectively;

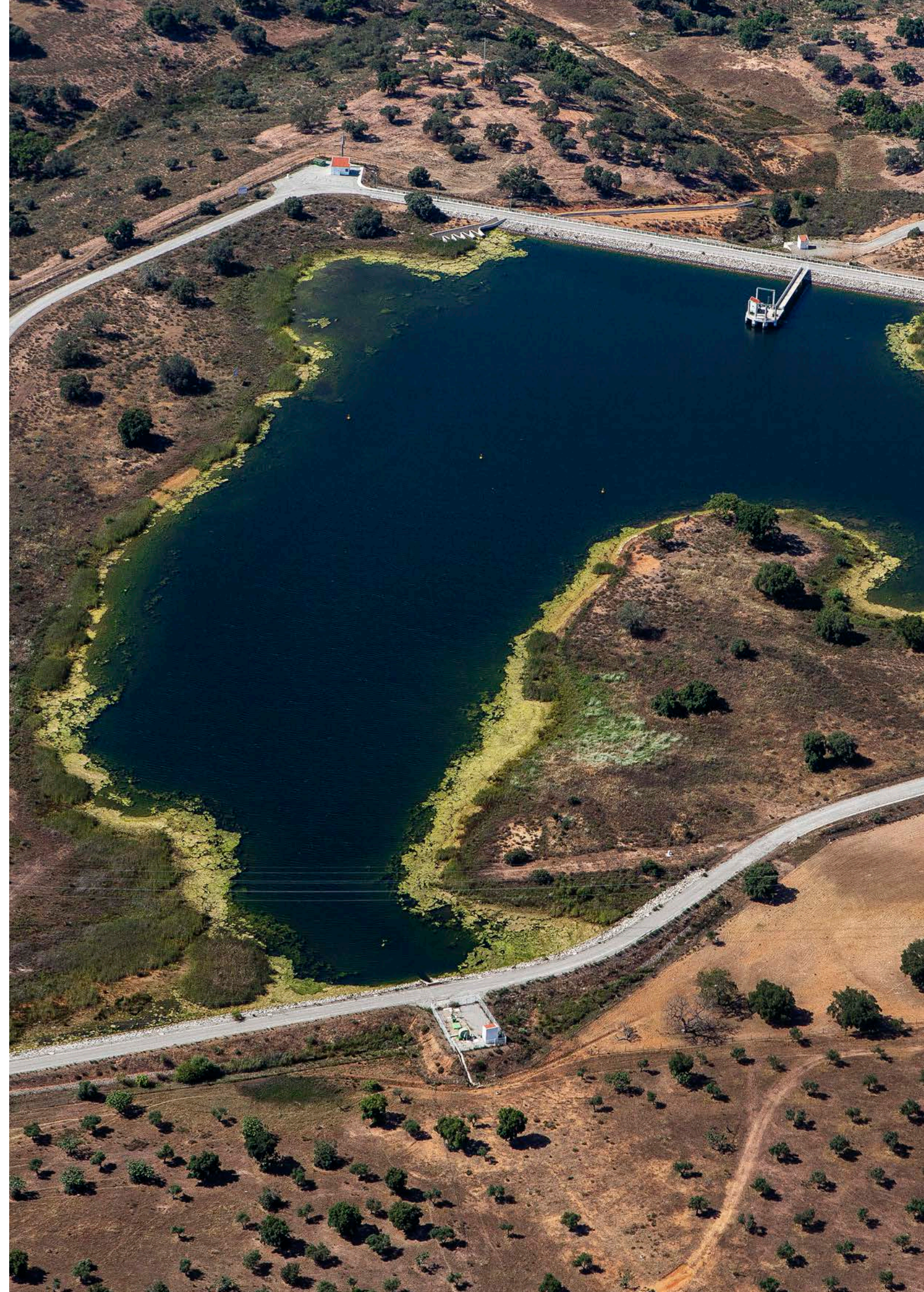
- The total investment includes the implemented and planned investments in the secondary network (EUR 889 million), which is owned (with the exception of infrastructure 12, which has an exceptional concession arrangement) by the Ministry of Agriculture;
- EDIA, for financing the investment to be made, by guidelines from the Ministry, presented an expression of interest in financing EIB and CEB, for EFMA projects, included in PNRegadios, and the contracts were signed in April 2018, between the Portuguese State and the respective Banks;
- The Portuguese State, in October 2018, in the Council of Ministers Resolution No. 133/2018 of 12 October, approved the PNRegadios and regularized the operationalization of the Project Execution Unit (UEP), also highlighting the operationalization and launch of the 1st Notice to submit applications for this Program. Following this approval, on 29 January, Ordinance No. 38/2019 was published (Official Gazette No. 20/2019, Series I), which regulates the support scheme to be granted to the projects provided for in PNRegadios, making funds available for new irrigation projects. On 27 March, Order No. 3378 (Official Gazette No. 61/2019, Series II) opened the 1st PNRegadios application notice;
- Following the approval and opening of the 1st PNRegadios Notice (Notice No. 01/

DRE/2019, of 29 April), concerning “Efficient Irrigation Development Operations”, EDIA has prepared ten project applications for the 2nd Phase of the Alqueva irrigation infrastructure, all of which have so far been approved and contracted;

- Although the applications have been approved for PNRegadios funding, the Shareholder, in the financial years 2020 and 2021, has chosen to finance the investments of these projects with capital allocations and own loans; and
- Despite the approval of a loan by the CEB in the amount of EUR 45 million for the completion of the Alqueva photovoltaic park project, in 2021 EDIA was requested to analyse alternative funding scenarios. The tender process for the contracting of this project, despite the slide justified by the health crisis experienced in Portugal, resulting from COVID-19, is finished, and approved by the Minister of Agriculture, leaving the launch of the tender only pending the approval of the Shareholder.

EDIA has an outstanding investment of around EUR 270 million, mainly from the 2nd phase of EFMA and the Photovoltaic Project, with financing provided for in PNRegadios and CEB, respectively, or alternatively by capital allocations or loans from the State Shareholder, if that is its decision.

The Company, with head office in Beja, has 179 employees on 31 December 2021.



2. Accounting Standards for the Preparation of Financial Statements

2.1. Presentation Bases

The financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union. The IAS/IFRS include the standards issued by the *International Accounting Standards Board* (IASB), the respective interpretations issued by the *International Financial Reporting Interpretations Committee* (IFRIC) and its predecessor bodies.

Changes in accounting policies

1. New standards, interpretations, and amendments with effective date as from January 1, 2021

- **Amendments to IFRS 16: COVID related grants at lease level (Commission Regulation 2020/1434 of 9 October)**

These amendments to IFRS 16 relate to the treatment to be given to rent concessions granted to lessees due to COVID-19. These amendments modify the requirements of IFRS 16 to provide lessees with a practical expedient so that they do not need to assess whether a grant of rent that occurs as a direct consequence of COVID-19 is a lease modification and can treat that grant of rent as not being a lease modification. Applicable for financial years beginning on or after 1 June 2020.

- **Amendments to IFRS 4 – Insurance Contracts (Commission Regulation 2020/2097 of 15 December 2020)**

Currently, in accordance with IFRS 4 – Insurance Contracts, the effective date for application of IFRS 9, after the temporary exemption, is 1 January 2021. In order to align the period of this temporary exemption with the effective date for the application of IFRS 17 – Insurance Contracts, after the amendments made on 25 June 2020, the IASB extended the application of the exemption from applying IFRS 9 with IFRS 4 until 1 January 2023.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reform of benchmark interest rates – Stage 2 (Commission Regulation 2021/25 of 13 January 2021)**

The IASB has finalised its response to the ongoing reform of interbank interest rate (IBOR) and other interest rate benchmarks by issuing a package of amendments to IFRSs. These amendments aim to help entities provide investors with useful information about the effects of this reform on their financial statements.

These amendments supplement those issued in 2019 and focus on the effects on the financial statements when an entity has replaced an old interest rate benchmark with an alternative benchmark as a result of the reform.

These amendments are effective for annual periods beginning on or after 1 January 2021.

2. New standards, interpretations, and amendments with effective dates for annual periods beginning on or after January 1, 2022

- **IFRS 17: Insurance Contracts (Commission Regulation 2021/2036 of 19 November 2021)**

IFRS 17 resolves 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. Information is updated regularly, providing more useful information to users of financial statements.

Applicable to financial years beginning on or after 1 January 2023.

- **Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements (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: Update of a reference in IFRS 3 to the Standard Financial Reporting Framework without changing the requirements for accounting for business combinations;
- ◊ Amendments to IAS 16: Prohibits an entity from deducting from the cost of a property, plant, and equipment the amounts received from the sale of items produced while the entity is preparing the asset for its

intended use. Instead, the entity must recognise the consideration received from those sales and the related cost in profit or loss;

- ◊ Amendments to IAS 37: 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.

- **Amendments to IFRS 16: COVID-related concessions 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 granted 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. This 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.

▪ **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 only prospectively 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.

3. 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, until the approval date of these financial statements, the following standards, and interpretations, not yet endorsed by the European Union, were issued by 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.

▪ **IFRS 14: Accounting for Regulatory Deferrals (issued by the IASB on 30Jan14)**

This standard allows first-time adopters of IFRS 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, these 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 await the definitive standard to be issued by the IASB.

▪ **Amendments to IAS 1 – Presentation of Financial Statements (issued by the IASB on 23 January 2020 and updated on 15 July 2020)**

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 change in the underlying principles.

Applicable to financial years beginning on or after 1 January 2023, with these changes still subject to endorsement by the European Union.

• **Amendments to IAS 12: Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction (issued by the IASB on 7 May 2021)**

IAS 12 provides an exemption for entities from recognising deferred tax when it results from the initial recognition of assets and liabilities. However, there was some uncertainty about whether this exemption would apply to transactions such as lease contracts and decommissioning obligations in which entities recognise both an asset and a liability simultaneously. This amendment clarifies that the exemption of initial recognition does not apply to these transactions in which equal amounts of taxable and deductible differences result from the initial recognition and, therefore, entities should recognise the deferred tax associated with such transactions.

Applicable for annual reporting periods beginning on or after 1 January 2023, with earlier adoption permitted. These amendments are still subject to endorsement by the European Union.

• **Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 – Comparative information (issued by the IASB on 9 December 2021)**

IFRS 17 and IFRS 9 have different transition requirements. For some insurers, these differences can cause accounting mismatches between financial assets and insurance liabilities in the comparative information that is presented in their financial statements when IFRS 9 and IFRS 17 are applied for the first time. This amendment, by introducing an option for a presentation of comparative information for financial assets, helps insurers to avoid these temporary accounting mismatches and thus increases the usefulness of comparative information for investors.

Applicable for annual reporting periods beginning on or after 1 January 2023 and subject to endorsement by the European Union.

The estimates and assumptions with impact on the financial statements are continuously evaluated, representing at each reporting date the Board's best estimate, taking into account the historical performance, accumulated experience and expectations about future events that, under the circumstances, are believed to be reasonable. The intrinsic nature of the estimates may cause the actual reflection of the situations that had been estimated to differ from the estimated amounts for the purposes of financial reporting.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are essentially impairments and provisions.

All estimates made by the Board of Directors were based on their knowledge of current

events and transactions as of 31 December 2021.

However, events may occur in subsequent periods that, not being foreseeable at the date of approval of the financial statements, were not considered in these estimates.

Changes to the estimates that occur after the date of the financial statements will be corrected prospectively. For this reason, and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates.

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2022.

3. Principal Accounting Policies

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

3.1. Measurement Bases Used in the Preparation of the Financial Statements and Accounting Policies

The financial statements are expressed in euros, the Company's functional currency.

Income and expenses are recorded on an accrual basis, so that they are recognised as they are generated or incurred, irrespective of the time at which they are received or paid.

Income and expenses recognized in the Statement of Comprehensive Income that have not yet been invoiced or whose acquisition invoice has not yet been received are recorded against "Debtors by

Accrued Income" or "Creditors by Accrued Expenses" recorded under the headings of the Statement of Financial Position in "Other Accounts Receivable" and "Other Payables", respectively. Income received and costs paid in advance are recorded under "Deferrals" under Liabilities and Assets respectively.

No material errors relating to estimates made in preparing the financial statements of previous years were recognised.

The estimates and underlying assumptions were determined based on the best knowledge existing at the date of approval of the financial statements of the events and transactions in progress, as well as the experience of past and/or current events. However, events may occur in subsequent periods that were not foreseeable at the date of approval of the financial statements and so were not considered in those estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the degree of uncertainty associated, actual results of the transactions in question may differ from the corresponding estimates.

3.1.a. Tangible Fixed Assets

Tangible fixed assets are stated at acquisition cost, plus transport and assembly costs necessary to put them into operation, less accumulated depreciation, and accumulated impairment losses. Borrowing costs that are directly attributable to the construction or production of an asset eligible for capitalisation are capitalised until such time as the assets are substantially complete.

Direct expenses related to the technical areas involved in building the Company's assets are capitalised under tangible fixed assets. This capitalisation is made according to the internal

resources used and time spent, against the item “Own Work for the Entity”.

Under IFRIC12 – Service Concession Arrangements, the assets relating to the “concession” are shown under “Intangible Assets”.

Depreciation of tangible fixed assets, that is, assets not assigned to the concession, are calculated using the straight-line method and on a monthly basis in accordance with the following periods of expected useful life of the assets, based on the maximum rates accepted for tax purposes.

Account	Useful Life
Land and Natural Resources	-
Buildings and Other Constructions	50
Basic Equipment	2 - 32
Transport Equipment	2 - 8
Administrative Equipment	1 - 16
Other Tangible Fixed Assets	1 - 24

Table 80: Tangible Fixed Assets

EDIA performs impairment tests on its tangible fixed assets whenever events or changes in circumstances are identified that indicate that the amount at which an asset is measured may not be recoverable. Whenever the amount at which an asset is recognised is greater than its recoverable amount, an impairment loss is recognised, recorded in the statement of comprehensive income under the item “Impairment of Depreciable/Amortisable Investments (losses/reversals)”. The recoverable amount corresponds to the higher of the net selling price (amount obtainable from the sale of an asset in a transaction within the capability of the parties involved, less the costs directly attributable to the sale) and the value in use (present value of estimated future cash flows expected to arise from the continued use of the asset and from its sale at

the end of its useful life).

Reversal of impairment losses recognised in prior years is recorded when the reasons for recording them cease to exist and consequently the asset ceases to be impaired.

3.1.b. Investment Property

The item “Investment Properties” records the carrying amount of investment properties held by EDIA, namely land, not for use in production, supply of merchandise or services or for administrative purposes, but with the aim of capital appreciation and/or obtaining rents.

EDIA’s objective is to facilitate the meeting between land supply and demand, making land with agricultural aptitude available for rent, sale or for other types of cession, publishing them in a public notice.

In accordance with IAS 40 – Investment Property, an investment property should be recognised when it is probable that future economic benefits associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably.

The item “Investment Properties” is presented in the Statement of Financial Position, in Non-Current Assets.

EDIA has chosen as accounting policy for measurement, after recognition, the cost model for all its investment properties, which comprises their purchase price, transaction costs and other directly attributable expenditure.

After initial recognition, as EDIA has opted for the cost model it will measure its investment properties according to the requirements of IAS

16 – Tangible Fixed Assets for that model, i.e. an asset should be carried at its cost less any accumulated depreciation and any accumulated impairment losses. Accordingly, the depreciation of an investment property will be made in accordance with that prescribed for tangible fixed assets.

However, it is important to mention that even though EDIA presents the Public Notices where the rural properties are available for sale, and there is a reference value for the bidding, the Company is making every effort to have a solid reference base, in order to measure and record the “Investment Properties”, in the future, at fair value.

3.1.c. Intangible Assets

Intangible assets are stated at acquisition or production cost, less accumulated amortisation, and accumulated impairment losses. Financial costs related to loans obtained to finance investments in progress, are capitalised until such time as the infrastructure is substantially complete.

In the year 2010, EDIA adopted the interpretation IFRIC12 – “Service Concession Arrangements”, applicable to the activities of energy production and water distribution developed under the concession contract concluded with the State. Thus, in 2010, the Company:

- It transferred all the investment associated with those activities from the heading “Tangible Fixed Assets” to “Intangible Assets”;
- Adjusted the depreciation/amortisation policy of these investments and the recognition of the respective subsidies as income, all of which are now amortised using the straight-line method over the concession period, i.e:

Ø The infrastructures already available for use at the date of the beginning of the concession (November 1, 2007) are amortised over the 75 years of the concession, that is, from November 2007 to October 2082; and

Ø The infrastructures that were not yet available for use on 1 November 2007 are amortised from the date when each one of them became or will become available for use until the end of the concession period (October 2082).

- It set up and started to update annually a provision to cover the estimated charges for the contractual obligation to maintain/preserve the infrastructure throughout the concession period.

The provision to meet the obligation to maintain/preserve the infrastructure includes only those major repairs and replacements that are expected to be made during the concession period, thus not including the current maintenance and conservation of these assets, which are recognised as expenses in the period in which they occur.

In 2018, it was the Company’s understanding to award to the National Laboratory of Civil Engineering (LNEC), a credible entity with special competences assigned by the Regulamento de Segurança de Barragens (Dam Safety Regulation), a study on the “Valuation of the infrastructures of the primary network of the Alqueva Development”, for the purpose of updating the initial estimate of the provision for major repairs and replacements, with a detailed plan of interventions in the various infrastructures, object of the concession contract, based on a set of assumptions and estimates of a financial, operational and technical nature.

By mid-2020, the results of the study and the forecast of rehabilitation investment needs in EFMA infrastructures had already been concluded, and after in-depth and consolidated analysis, their adherence to the assets of the Alqueva Development and the applicability of this new model were verified, already reflected in the accounts of the 1st half of 2020.

The assumptions used for the calculation of these investment forecasts, as well as the identification of the metrics used, inflation rates and discount rates are described in detail in Note 20.

EDIA has been carrying out impairment tests to its intangible assets, whenever events or changes in circumstances are identified that indicate that the amount at which an asset is measured may not be recovered. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and recorded in the statement of comprehensive income under the item "Impairment of depreciable/amortisable investment (losses/reversals)". Since, under the concession contract, these are not alienable assets, the recoverable amount corresponds to the respective value in use (present value of estimated future cash flows expected to arise from the continued use of the asset).

Reversal of impairment losses recognised in prior years is recorded when the reasons for recording them cease to exist and consequently the asset ceases to be impaired.

3.1.d. Investments in Progress

Investments in Progress" represent the tangible and intangible assets still under construction/development and are recorded at acquisition cost net of accumulated impairment losses. These assets

are depreciated as from the month they are in condition to be used for the intended purposes.

As EDIA is in a second phase of investment, they have been capitalized:

- Financial expenses directly related to the financing of investment that is still under construction/development, until such time as each infrastructure is substantially complete;
- Personnel costs directly related to the planning and construction activity; and
- External supplies and services, which are, by their nature, recorded in cost centres directly related to infrastructure construction.

3.1.e. Capitalisation Policy for Structure and Financial Charges

The Company's structural costs, as well as the financial costs with loans directly attributable to the acquisition or construction of fixed assets, or associated to concessions, have been capitalised, consistently over time, while the infrastructure construction activities (or others that are necessary to prepare the infrastructure for its intended use) are in progress.

With the conclusion of the 1st phase of construction of infrastructure, operation of the dams and hydroelectric plants of Alqueva and also the entry into operation of the 22 irrigation perimeters, the costs related to these infrastructures are now considered directly as costs for the year and the associated financial costs are no longer capitalised.

In parallel and in order to maximise the natural evolution of EFMA, to optimise the benefit of the competitive advantages provided by the Project and the full use of the available water resources, EDIA

is developing a strategy to promote and increase irrigation in Alqueva, developing studies, projects and works, having identified potential irrigation areas in areas contiguous to the Development of around 50.000 ha.

With this new reality and bearing in mind that the volume of investment in these neighbouring areas will tend to grow, it is clear that the costs of the activities developed by some departments of the Company are subject to capitalisation, since they effectively and directly contribute to the construction of new EFMA infrastructures.

The expense capitalisation policy remained identical to that adopted on 31 December 2020 and is based on the following assumptions:

- expenses are not capitalised relating to:
 - a) the governing bodies and secretariat; b) the Administration and Finance Department, with the exception of the Departments of Planning and Investment Control and Information Systems; c) the Heritage Management Department, with the exception of the Expropriations Department; d) the Water Economy and Irrigation Promotion Department and e) the Development and Social Responsibility Office.
- the costs of the Directorates, Departments and Offices that most contribute to its activities in this investment phase in the primary (PN) and secondary networks (SN) are capitalised, with the following allocation:

- ◊ Engineering, Environment and Planning Directorate – 50% Investment (25% PN + 25% SN) + 50% Functioning

- ◊ Infrastructure and Energy Directorate – 50% Investment (25% PN + 25% SN) + 50% Operations
- ◊ Planning, Studies, and Projects Department – 100% Investment (50% PN + 50% SN)
- ◊ Environmental and Property Impacts Department – 50% Investment (25% PN + 25% SN) + 50% Operating
- ◊ Primary Infrastructures Construction Department – 100% PN Investment
- ◊ Irrigation Infrastructure Construction Department – 100% SN Investment
- ◊ Expropriations Department – 100% Investment (50% PN + 50% SN)
- ◊ Investment Planning and Control Department – 50% Investment (25% PN + 25% SN) + 50% Functioning
- ◊ Information Systems Departments – 50% Investment (25% PN + 25% SN) + 50% Functioning
- ◊ Legal Support Office – 50% Investment (25% PN + 25% SN) + 50% Functioning
- ◊ Public Relations and Communication Office – 50% Investment (25% PN + 25% SN) + 50% Operations

3.1.f. Own Work for the Entity

This heading records revenue corresponding to the cost of resources directly attributable to tangible and intangible fixed assets during their

development and construction phase, when it is concluded that they will be recovered through the realization of those assets.

They are measured at cost, recognised without any margin, based on specially prepared internal information (internal costs) or on acquisition costs.

Construction works, carried out by the Company itself, as well as equipment repairs that include expenditure on materials, direct labour, and overheads, are associated with EFMA's ongoing works.

The Company capitalises the structural costs, against the "Own Work for the Entity" account, since they reflect the cost of personnel and work performed by third parties under the direct administration of the Company.

3.1.g. Financial Holdings

Other Financial Holdings

The shareholdings in the capital of entities that do not give EDIA a dominant or significant influence (as a rule, shareholdings representing less than 20% of the respective capital) are recorded at acquisition cost less any accumulated impairment losses.

As provided in IAS 32 – Financial Instruments – Presentation and IAS 39 – Financial Instruments – Recognition, at the reporting date, EDIA assesses the impairment of all financial assets that are not measured at fair value through profit or loss. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

3.1.h. Leases

IFRS 16 – Leases, came into force in the European Union on 1 January 2019, so for entities that report under IFRS, it is already the third year of application of the standard. One of the most relevant aspects of IFRS 16 was the introduction of a single model for the accounting of leases by lessees, eliminating the distinction between financial and operational leases, leading to the recognition in the Statement of Financial Position under Assets, at the beginning of a lease contract, of a right of use and the corresponding Lease Liability, for the obligation to pay charges to the lessor. In the Statement of Comprehensive Income, instead of the previous operating expense, recognised under the previous IAS 17 – Leases for operating leases, the depreciation of the right of use (on a straight-line basis) and implicit interest under the Lease Liabilities (which will decrease over the lease term) are now recorded.

The non-current Asset related to the right of use of the leased item is initially measured at the present value of the lease payments, discounted at the implicit interest in the lease (Liabilities), plus the initial direct costs related to the lease and subsequently is subject to depreciation based on the estimated useful life, in accordance with IAS 16 – Tangible Fixed Assets. Thus, the lease charges are now charged to profit or loss on the basis of the depreciation of the tangible fixed asset relating to the right of use of the leased asset, and by the implicit interest costs of the lease over the term of the contract.

Financial liabilities are initially recognised at the present value of the instalments payable over the contract, also including the initial costs of the contract. This present value is determined by discounting the instalments to present value using

the interest rate implicit in the lease, if this rate can be determined, or by a market interest rate, if there is no interest rate associated with the lease.

EDIA, on 31 December 2021, has recognised and measured leases in its financial statements in accordance with IFRS 16 (see Note 21).

3.1.i. Financial Instruments – Financial Assets and Liabilities

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets and liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the corresponding contractual provisions.

For financial assets with impairment indicators, the respective recoverable value is determined, with impairment losses being charged against income.

A financial asset is any asset that is either cash or a contractual right to receive cash.

A financial liability is any liability that is a contractual obligation to deliver cash.



The Company's financial assets are mainly "Customers", "Other Accounts Receivable" and "Cash and Cash Equivalents".

Financial liabilities are mainly the "Funding Obtained", "Suppliers" and "Other Accounts Payable".

Trade and Other Accounts Receivable

The debts shown under "Customers" and "Other Accounts Receivable" are recorded at their nominal value, less any impairment losses. Impairment losses correspond to the difference between the amount initially recorded and its recoverable value, this being the present value of the expected "cash-flows" (discounted at the effective rate whenever the effect of the time value of money is significant), which are recognised in the Statement of Comprehensive Income for the period in which they are estimated.

Regarding "Customers", the debts result from the services rendered by the Company in the normal course of its activity, carried out in accordance with the normal conditions of short-term credit, and so, they are measured at the undiscounted value of the cash flows receivable, less impairment losses, and it is expected that they will be collected within one year or less, and so, they are recorded under "Current Assets".

The criterion for measuring amortised cost is not applied to "Customers" balances, as the deadlines for receipt defined are mostly met and no significant delays or deferrals in receipt are expected at the time of their initial recognition. Thus, the application of amortised cost in the measurement of the financial assets in question would not be appropriate.

In the year 2021, EDIA recognised impairment losses in this type of financial assets.

"Other Accounts Receivable" are recorded at their nominal value, less any impairment losses, because EDIA considers that the impact that the criterion of amortised cost would have on its accounts would be nil.

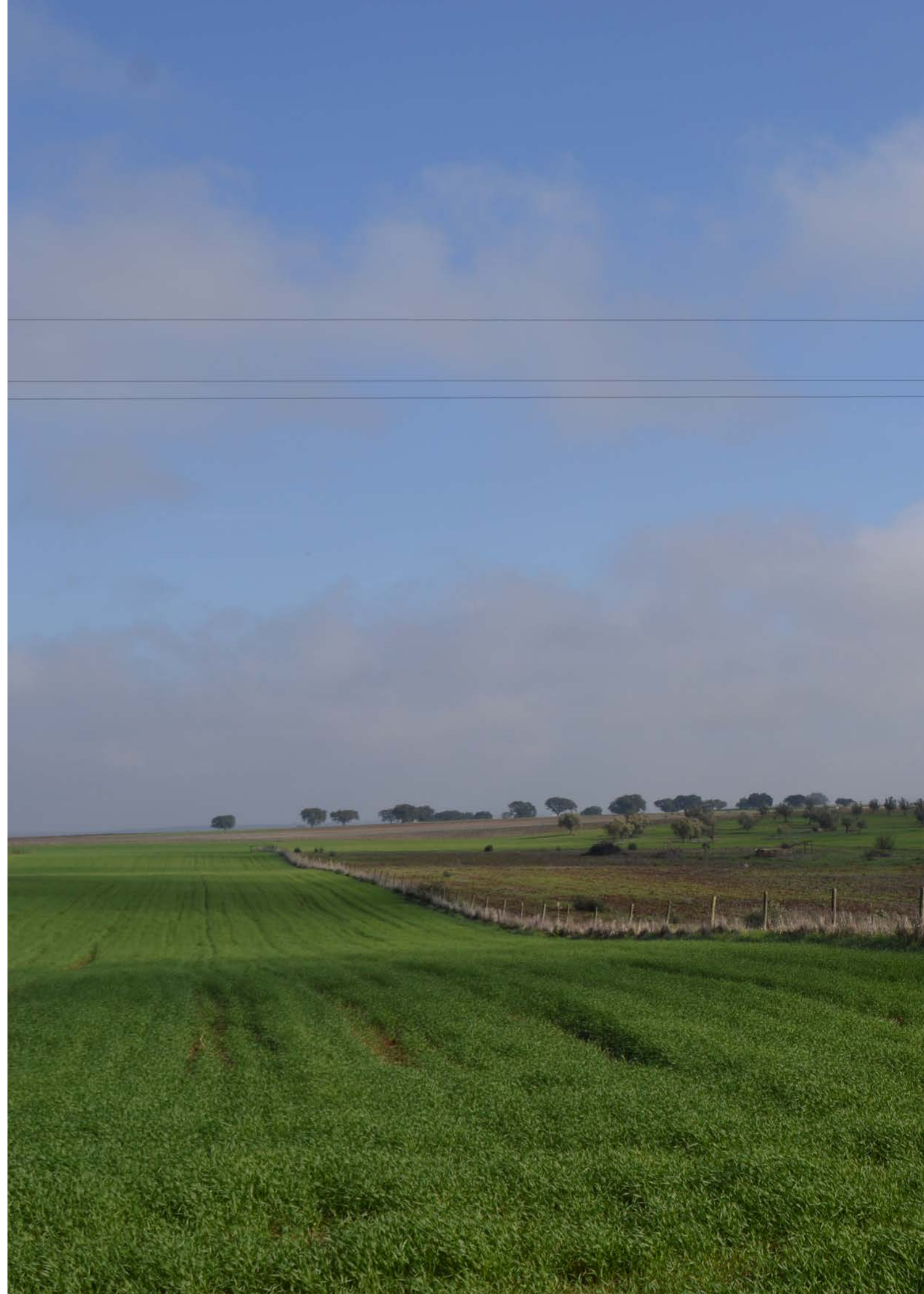
Impairment losses correspond to the difference between the amount initially recorded and its recoverable value, this being the present value of the expected "cash-flows" (discounted at the effective rate whenever the effect of the time value of money is significant), which are recognised in the Statement of Comprehensive Income for the period in which they are estimated.

For purposes of determining impairment losses, doubtful debts are those where the risk of uncollectibility is duly substantiated, which occurs when the credits are overdue for more than twelve months from the respective due date and there is objective evidence that diligent steps have been taken to receive them.

The balance of the item "Other Accounts Receivable" essentially reflects: (i) debt from DGADR; (ii) income from the Concession Agreement with EDP; and (iii) debtors from accrued income (see Note 16).

The "Debtors by Accrued Income", are settled in the short term, being recognised by the undiscounted amount of income recognised during the year.

As for Community Funds, they are received in the short term after the date of the Statement of Financial Position and are therefore measured at the undiscounted value of cash flows receivable (there are no impairment losses in this case, because only those subsidies that meet the



recognition criteria set out in IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance are recognised as accounts receivable, i.e. when there is assurance that EDIA will comply with the conditions attached to them and that the subsidies will be received).

In view of the above, EDIA considers that the impact that the amortised cost criterion would have on its accounts would be nil.

Cash and Bank deposits / Cash and cash equivalents

In the Statement of Financial Position, the amounts included under the item “Cash and Bank Deposits” correspond to amounts held in cash and demand or term deposits. In the Cash Flow Statement, the item “Cash and Cash Equivalents” includes cash and demand deposits, as well as highly liquid short-term financial investments (including term deposits) that are readily convertible to known amounts and which are subject to an insignificant risk of changes in value.

For purposes of the Cash Flow Statement, “Cash and Cash Equivalents” is reduced by bank overdrafts, which in the Statement of Financial Position are included in the item “Funding Obtained”, as they are repayable on demand and form part of the Company’s cash management.

Funding Obtained

Funding Obtained are recorded under Liabilities at amortised cost, with the corresponding financial costs calculated according to the effective interest rate and recognised in the income statement on an accruals basis.

They are expressed in Current or Non-Current Liabilities, depending on whether they mature in less or more than a year, respectively. Their

derecognition only occurs when the obligations arising from the contracts cease, namely when there has been liquidation, cancellation, or expiry.

Financial charges, related to loans obtained to finance the investment in progress, are capitalised until such time as the infrastructure is substantially complete.

Leases which are subject to IFRS 16 are also recorded in this account.

Accounts Payable Funding Obtained

The balances of “Suppliers – current accounts payable”, “Investment Providers” and “Other Creditors” (not including, therefore, the funding obtained, which has an autonomous section) relate to most purchases of merchandise and services contracted by the Company, in the normal course of its business and in accordance with normal market conditions, which correspond to a short-term credit.

Accounts payable are recorded at their nominal value, less any interest calculated and recognised in accordance with the effective interest rate method.

It should also be noted that normal market conditions correspond to a short-term credit (average payment period: 125 days), so EDIA considers that the impact that the amortised cost criterion would have on its accounts would be nil.

If payment is due within one year or less, they are classified as “Current Liabilities”, otherwise they are classified as “Non-Current Liabilities”.

3.1.j. Captive Deposits

The period for resolution of the processes to which

the captive deposits are allocated, within the scope of a tax inspection, in terms of corporate income tax, for the years 2009 and 2010, by the Tax Authorities, relating to depreciation made by EDIA of submerged land, may cover several years.

When the process of tax execution was initiated, EDIA was notified by the Tax Office and had a period of 30 days from that date to lodge an opposition to the execution.

The administrative claim, by itself, did not suspend the beginning of the tax execution process, so it is necessary to present a bank guarantee, bond, or insurance-guarantee to suspend this process and avoid seizures.

At the date of this report, two processes with amounts to be paid are already known (2008 and 2009), in which there was an unfavourable sentence by the Supreme Administrative Court (STA), for which, after receiving notifications from the Tax Authority, EDIA paid the amounts due, respective costs and interest on arrears, so that later the bank guarantees may be lifted, and the respective tax enforcement proceedings extinguished.

3.1.k. Inventories

The value of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and are stated at cost.

Following Decree Law 335/2001 of 24 December, which (with the exception of Infrastructure 12, which has an exceptional concession regime) provided for the transfer to the State of the infrastructures forming part of the secondary network allocated to EFMA, EDIA, up to 31 December 2012 (inclusive) showed the construction cost of the secondary network under the heading

“Inventories”.

Under the Delivery Contract and respective “Concession Contract for the Management, Operation, Maintenance and Conservation of the EFMA Secondary Network Infrastructure”, signed on 8 April 2013, by EDIA and the State, represented by DGADR, EDIA delivered to the State, the infrastructure relating to the secondary network, already completed. Thus, the investment made in these infrastructures of the secondary network that were already substantially complete, previously shown under the sub-account “Finished and Intermediate Products”, less the respective investment subsidies, were transferred to the DGADR account under “Other Accounts Receivable”.

In November 2013, through a new Delivery Contract between EDIA and DGADR, similarly to what was done with other secondary network infrastructures, EDIA proceeded, on behalf of the State, to the design, implementation and construction of the infrastructures comprising the irrigation and drainage network, as well as all the merchandise and equipment allocated to it, of the Aljustrel hydro-agricultural operation, whose investment was registered under “Products and Works in Progress” and was transferred to the DGADR account, under the item “Other Accounts Receivable” (see Note 16).

With this contract expiring in December 2020, it was approved by Order of the Minister of Agriculture, information no. 12538 of 24 September 2020, that the term of the concession relating to the management, operation, maintenance and conservation of the secondary network infrastructures, the extension for a further 10 years, the maximum limit of the term of the concession of the private use of public domain water resources, obtained under the provisions of the Water Act, pending the formalization of the respective

addendum to the contract.

Also, in the scope of this new contract, the premise for not making a provision for major repairs was that, for a period of 10 years, it is not expected that major repairs will be carried out on the infrastructure.

Thus, the balance under the item “Inventories” essentially reflects the value of the sub-account “Products and Works in Progress”, relating to the investments allocated to the blocks under construction of the 2nd phase of the EFMA investment.

3.1.l. Income and Expense Recognition

Costs and income are recorded in the period to which they refer regardless of when paid or received, in accordance with the accrual basis of accounting. The differences between the amounts paid and received and the respective expenses and income are recorded under Liabilities and Assets, respectively.

- Revenue (more detailed description in Note 3.1.o)

Revenue is the gross inflow of economic benefits during the period arising in the course of EDIA's ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue may arise from sales of merchandise, provision of services and the use of assets producing interest, royalties, and dividends.

- Borrowing Costs

In accordance with IAS 23 – Borrowing Costs, charged with Funding Obtained are recognised as an expense in the period in which they are incurred on an accrual basis in accordance with the effective interest rate method.

Borrowing costs directly related to the construction of fixed assets or associated with concessions are capitalised as part of the cost of the asset. Capitalisation of these charges begins once preparations are started for the construction or development of the asset and ends when construction is substantially complete and is also interrupted when the project in question is suspended.

3.1.m. Provisions

Provisions are recognised only when the Company has a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised for provisions consists of the present value of the best estimate (at the reporting date) of the resources required to settle the obligation. This estimate is determined considering the risks and uncertainties associated with the obligation.

Provisions are reviewed on the reporting date by the Company's Legal Department and approved by the Board of Directors and are adjusted to reflect the best estimate of the respective future liabilities at that date, taking into account the risks and uncertainties inherent in such estimates.

Provisions are made for legal proceedings underway and for disputed expropriations, as well as all the estimated costs, for which the Company

is responsible, when there is a reliable estimate of the costs to be incurred as a result of lawsuits filed by third parties, based on the evaluation of the likelihood of payment, based on the opinion of external lawyers and experts from Arbitration Courts.

Following the concession contract signed with the State in October 2007 and following the entry into force of IFRIC12 – Service Concession Arrangements, EDIA increases or reverses, in each year, the provision to cover the estimated charges relating to the contractual obligation to maintain/preserve, throughout the concession period, the infrastructure allocated to the activities of energy production and water distribution, which revert to the State at the end of the concession period. This provision covers only those major repairs and replacements that are expected to be made during the concession period, not including the current maintenance and conservation of these assets, which are recognized as expenses in the period in which they occur.

For the purpose of updating the initial estimate of the provision for major repairs and replacements, in 2018, it was the Company's understanding to contract a study on the “Enhancement of the Primary Network Infrastructure of the Alqueva Development”, to LNEC, with a detailed plan of interventions in the various infrastructures, object of the concession contract, based on a new set of assumptions and estimates of financial, operational, and technical nature.

At the date of this report, the results of the study, forecast of investment needs in rehabilitation in EFMA infrastructures, have already been completed and reflected in the accounts.

The assumptions used for the calculation of these investment forecasts, as well as the identification

of the metrics used, inflation rates and discount rates are identified in detail in Note 20.

In this sense, provisions are made for expenditure on maintenance and conservation of assets, responsibility of EDIA relating to the contractual obligation to maintain and conserve the infrastructure of the primary network throughout the concession period.

3.1.n. Grants

With the exception of subsidies relating to secondary network infrastructures (already transferred or to be transferred to DGADR) and those associated with the water distribution activity (whose assets have been concluded to be fully impaired), subsidies granted by the Portuguese State and the European Union (EU) to finance investments in fixed assets are recognised under “Deferrals” and subsequently recognised as “Other Income and Gains” in the same proportion of costs with the depreciation of subsidised assets and respective percentage of contribution.

The subsidies for the construction of the secondary network are reflected under liabilities until the moment when the corresponding infrastructures are transferred to the DGADR or another entity indicated by the MAFDR, since at that time the respective investments are transferred from “Inventories” to the DGADR account under “Other Accounts Receivable” and the subsidies associated with them are likewise transferred to this DGADR account, which thus reflects the investment in the secondary network infrastructures, after deducting the State or EU subsidies.

The subsidies associated to the water distribution activity, whose assets have been concluded to be totally impaired, have been derecognised when recording impairment losses of the respective

assets, that is, these losses are recognised in the Statement of Comprehensive Income by the net value of the respective subsidies.

Operating subsidies, for the conservation of nature and biodiversity, namely support to projects within the scope of agriculture, tourism, environment and also for the enhancement and training of employees, are recognised as income in the Statement of Comprehensive Income in the same period as the expenses they are intended to compensate.

Subsidies are recognised when there is reasonable assurance that they will be effectively received and that the Company will comply with the obligations and conditions inherent to their attribution.

3.1.o. Revenue

Sales and Services Rendered

The recognition of revenue relating to sales and services rendered requires that: (i) the amount can be reliably measured, and (ii) it is probable that future economic benefits associated with the transaction will flow to the Company.

Revenue arising from the Company's ordinary activity is measured at the fair value of the consideration received or receivable, understood as that which is freely established between the contracting parties on an arm's length basis, where, with regard to the sale of merchandise and provision of services, the fair value reflects any discounts granted and does not include VAT.

In energy generation activity, the Company recognises the revenue arising from the "Concession Contract for the Operation of the Alqueva and Pedrógão Hydroelectric Plants", signed between EDIA and EDP for a period of 35 years,

under which EDP undertook to pay EDIA financial compensation on the following terms:

- An initial amount of EUR 195,000,000, plus VAT at the legal rate and paid on the date of entry into force of this contract; and
- Throughout the life of the contract, a periodic annual amount of EUR 12,380,000 (value updated in 2011) plus VAT at the legal rate and paid annually on the same day and month of the entry into force of the contract, the first instalment being due in 2008.

By choice, with the early adoption still in 2017, of IFRS 15, EDIA adjusted the value of the consideration, since the contract contains a financing component. The intended objective is to recognise the revenue at the value that reflects what the price of the agreed service provision would have been, if the customer had made payment when obtaining control of that service. The fixed discount rate used was 3.5% and the annual periodic amount is EUR 12,645,948.

In the water distribution activity, the Company only recognises revenue resulting from the application of tariffs approved by the State.

On 26 May 2010, Order No. 9000/2010 was published, effective from 1 June, which approved the tariff that sets the price of water for irrigation for agricultural use supplied by EDIA under the public water service of EFMA. This Order was revoked in April 2017, with the approval of Order No. 3025/2017 of 11 April 2017, which sets the tariff after that date applicable to the public water service associated to irrigation for agricultural use, under EFMA.

The legislator sought to create conditions so that the price of the service remains competitive,

considering that the conditions to increase the competitiveness and attractiveness of the Development through the revision of the tariff in force are currently met.

A set of rules was established aimed at ensuring the sustainable management of water resources through the internalisation of the costs and benefits associated with water use, having established, as key instruments for this purpose, the water resources charge and the public water service tariff.

It is important to take into consideration the need to find a balance between the costs associated with the operation and conservation of the Development, including the primary system, as well as the payment capacity of the beneficiary users, in light of the economics of the crops installed. Indeed, the tariff structure is based on an equation of sensitive balance, which must simultaneously internalise all costs to meet the sustainability requirements of national and EU legislation, constitute a factor of competitiveness and attractiveness of the region and also correspond to the payment capacity of users, and should therefore include a solidarity factor.

This Order also sets the tariffs applicable to the public water service for public supply and industrial use, taking into consideration the specificities of these other uses, such as the high levels of guarantee of supply.

The average annual variation rate of the CPI except for housing for the mainland, since the approval of the tariff in force, in April 2017, has been residual, leading EDIA to maintain, in the years 2018 and 2019, the values of 2017. For 2020, given that according to the values of the variation of the index published by INE, in 2019, for the period in question, it was 0.4%, already with some impact,

the respective tariff was updated.

As explained above, the tariff system is updated every year. However, it was noted that in 2020, the CPI evolution throughout the year was very irregular, as a result of the conditions caused by the pandemic context of COVID 19.

Interest

Interest revenue is recognised using the effective interest method, provided it is probable that economic benefits flow to the Company and their amount can be reliably measured.

These interests are registered in the period to which they respect, according to the accrual basis.

3.1.p. Income Tax

Income tax comprises current tax and deferred tax.

Current tax corresponds to the expected amount of income tax payable or recoverable in respect of the taxable profit or loss for a period, using the tax rate in force, adjusted in accordance with the tax rules.

Deferred taxes arise from temporary differences between the tax basis of assets and liabilities and their values in the financial statements, using tax rates enacted at the statement of financial position date and that are expected to apply when the temporary differences reverse.

In the financial reporting under IAS/IFRS, the Company has not recognised, in 2021 or in previous years, any deferred tax assets relating to deductible temporary differences (namely those generated by the impairment losses of the "water" segment) or tax loss carry forwards, as there is no reasonable assurance as to the existence of future

taxable profits that would allow these deductible temporary differences and the tax loss carry forwards to be used before they expire.

The Company is based in Portugal and is subject to Corporate Income Tax (IRC) at the standard rate of 21%, the municipal surcharge being calculated at a maximum rate of 1.5% of taxable profit.

Under Article 88 of the IRC Code, the Company is subject to additional autonomous taxation on a set of charges, at the rates provided for in that article. However, autonomous taxation rates are increased by 10%, since EDIA presented tax losses in the previous tax period.

According to current legislation, income statements for tax purposes are subject to review and correction by the Tax Administration for a period of four years. However, this period may be extended

or suspended if inspections, complaints, or challenges are underway, or if there have been tax losses reported, situations in which EDIA fits.

3.1.q. Subsequent Events

Events that occur after the date of the statement of financial position but before the date of approval of the financial statements by the Company's management body, and provided that they provide additional information on conditions that existed at the date of the statement of financial position, give rise to adjustments and are reflected in the financial statements for the period.

Events occurring after the date of the Statement of Financial Position that are indicative of conditions that arose after the date of the Statement of Financial Position (non-adjusting events), are disclosed in the notes to the financial statements, if considered materially relevant.

3.1.r. Estimates and Judgements

In the preparation of the financial statements, judgements and estimates were used, which affect the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses during the reporting period.

Estimates and assumptions are determined based on the best knowledge existing at the date of preparation of the financial statements and the experience of past and/or current events considering certain assumptions as to future events. However, events may occur in subsequent periods that were not foreseeable at the date of approval of the financial statements and so were not considered in those estimates.

Changes to the estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the degree of uncertainty associated, the actual results of the situations in question may differ from the corresponding estimates.

Estimates and judgments that have an impact on the financial statements are continuously evaluated, representing at each reporting date the Management's best estimate, taking into account the historical performance, accumulated experience and expectations about future events.

In the financial statements as of 31 December 2021, the most significant estimates reflected include the impairment studies made to intangible assets and investments in progress and the recording of accrued amounts.



In simple terms, impairment is an estimate of a reduction in the book value of assets. In this sense, it serves as an instrument that provides the Company with one more possibility to ensure that its accounting information represents, at each moment, in the best way, the economic reality of the developed activities and the value of its assets. The usefulness of the financial statements for all stakeholders, who seek the best arguments for their decision-making, depends on this.

The Company, based on the impairment tests, verifies if the assets are impaired, in accordance with the referred policy. Calculating the recoverable amounts of the cash-generating units involves judgement and the assessment underlying the calculations made uses assumptions based on available information about the business and the macroeconomic environment at any given time.

The Company exercises considerable judgement in the measurement and recognition of provisions. Judgement is required in order to assess the probability that litigation will be successful. Provisions are made when the Company expects that proceedings under way will result in cash outflows, the loss is probable and can be reasonably estimated. Due to the uncertainties inherent to the evaluation process, actual losses may be different from those originally estimated in the provision.

These estimates are subject to changes whenever new information becomes available. Revisions to the estimates of these losses may eventually affect future results.

3.1.s. Contingent Assets and Liabilities

Contingent liabilities are not recognised in the financial statements, being disclosed whenever the possibility of an outflow of resources encompassing

economic benefits is not remote. Contingent assets are not recognised in the financial statements but are disclosed when it is probable that there will be a future economic inflow of resources (see Note 32).

3.2. Financial Risk Management Policies

The Board of Directors provides the general principles for risk management as well as the limits of exposure to it.

The Company's activities entail exposure to financial risks, namely:

- **Market Risk** – mainly interest rate risk and exchange rate risk, which are associated, respectively, with the risk of the impact of changes in market interest rates on financial assets and liabilities and on results, and the risk of fluctuation in the fair value of financial assets and liabilities as a result of changes in exchange rates;
- **Credit Risk** – risk that its debtors will not meet their financial obligations; and
- **Liquidity Risk** – risk of encountering difficulties to meet obligations associated with financial liabilities.

EDIA's activities are fundamentally exposed to interest rate risk, which arises essentially from contracting long-term loans with variable interest rates (the most commonly used indexes being the 3- and 6-month Euribor), and no derivative financial instruments are used to manage these risks.

This situation relates to the need for the Company to have financed EFMA's investment activities with recourse to borrowed capital, by contracting bank loans. Obtaining financial resources in this

way (bond loans and EIB loan) results from a financial policy defined by the sole Shareholder, the Portuguese State, based on contracting loans with State guarantees, and the non-availability of sufficient capital appropriations to accompany the pace of EFMA's investments.

On the other hand, the Company has not generated the necessary means, not only to cope with the volume of investments it has been making, but also has insufficient liquidity to meet the financial charges arising from the financing policy adopted.

However, at the end of 2014, following the entry of EDIA into the consolidation perimeter of public accounts, the State (DGTF) granted EDIA a medium and long-term loan, to settle the short-term loans in the various banks, which were intended to meet the financing needs, relating to the servicing of the Company's debt.

In November 2021, considering the Company's treasury needs, the Portuguese State granted another medium and long-term loan of up to EUR 7,000,000.

According to the guidelines reflected in the State Budget, the coverage of part of EDIA's financing needs, as a Reclassified Public Company, was ensured and achieved, in the year 2021, through capital allocation.

In Note 21 – Funding Obtained, we present the details of the remunerated bank debt with the indication of the financing entity and respective indexing factor.

It is considered that, since there are no financial instruments in foreign currency and the debts of customers are reduced and recent, there are, to date, no risks of other nature considered relevant that merit a more detailed disclosure to improve the information and respective understanding of users about the risks to which the Company is exposed.

4. Cash Flows

For the purposes of the Cash Flow Statement, "Cash and Cash Equivalents" comprises cash on hand and in banks, as well as short-term, highly liquid



financial investments with insignificant risk of change in value and readily convertible to cash.

The Cash Flow Statement is prepared under the direct method, through which cash receipts and cash payments in operating, investing, and financing activities are disclosed.

Operating activities include collections from customers, payments to suppliers, payments to personnel and other operating activities.

Investing activities include, namely, payments and receipts resulting from the purchase and sale of assets and receipts of interest.

Financing activities include payments and receipts relating to loans obtained, finance lease contracts and interest paid.

As of 31 December 2021, and 31 December 2020, the items “Cash and Bank Deposits” in the Statement of Financial Position and “Cash and Cash Equivalents” in the Cash Flow Statement are broken down as follows:

EUR		
Cash and Bank Deposits	31/Dec/21	31/Dec/20
Current Deposits	700 393	8 374 387
Cash in Hand *	68 895	50 113
Cash	5 746	5 746
Cash and Bank Deposits (DPF)	775 034	8 430 247
Cash and Cash Equivalents (DFC)	775 034	8 430 247

*The balance of the “Passenger Cash” account reflects the amounts still to be deposited.

Table 81: Cash Flows-CGD

All bank deposit accounts were reconciled, with reference to the periods mentioned, and with the “Demand Deposits” having the following composition:

EUR		
Bank Deposits	31/Dec/21	31/Dec/20
IGCP – Instituto de Gestão de Tesouraria e do Crédito Público	624 762	6 773 665
Banco Santander Totta	29 038	29 363
CCAM – Caixa Central de Crédito Agrícola Mútuo	24 850	805 623
CGD – Caixa Geral de Depósitos	17 837	670 283
Caixa Banco de Investimento	2 074	2 074
BPI – Banco Português de Investimento	1 654	5 373
Millennium BCP	179	8 759
Novo Banco	-	79 248
Total	700 393	8 374 387

Table 82: Cash Flows – Bank Deposits

5. Accounting Policies, Changes in Accounting Estimates and Errors

The estimates and underlying assumptions were determined based on the best knowledge existing at the date of approval of the financial statements of the events and transactions in progress, as well as on the experience of past and/or current events.

However, events may occur in subsequent periods that, not being foreseeable at the date of approval of the financial statements, were not considered in these estimates.

Changes to the estimates that occur after the date of the financial statements will be corrected prospectively.

For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates.



6. Tangible Fixed Assets

In the years 2021 and 2020, the movements occurring in the item “Tangible Fixed Assets”, as well as in the respective accumulated depreciation and impairment losses were as follows:

EUR

	31/Dec/21								
Tangible Fixed Assets	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Tangible Fixed Assets	Ongoing Tangible Fixed Assets	Advances due to Investments	Total
Gross Assets									
Opening Balance	3 089 650	12 629 719	1 688 065	846 579	2 395 863	1 105 534	487 161	5 267	22 247 837
Additions	873 515	55 580		49 999	89 260	156 345	36 969	362 849	1 624 518
Disposals/Redemptions									-
Other Transfers	(1 744)							(335 334)	(337 077)
Closing Balance	3 961 421	12 685 299	1 688 065	896 578	2 485 124	1 261 879	524 130	32 782	23 535 277
Accumulated Amortisation									
Opening Balance		4 309 354	1 215 049	581 319	2 222 500	612 457	-	-	8 940 679
Additions		260 461	36 192	43 909	92 151	88 809			521 522
Other Accumulated Depreciation Movements									-
Closing balance		4 569 815	1 251 242	625 228	2 314 651	701 266	-	-	9 462 201
Net value	3 961 421	8 115 484	436 823	271 350	170 472	560 613	524 130	32 782	14 073 076

Table 83: Tangible Fixed Assets -2021

EUR

	31/Dec/20								
Tangible Fixed Assets	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Tangible Fixed Assets	Ongoing Tangible Fixed Assets	Advances due to Investments	Total
Gross Assets									
Opening Balance	2 927 431	12 174 637	1 504 346	870 238	2 261 196	966 050	307 967	2 326	21 014 191
Additions	342 783	455 082	183 719	11 462	134 667	139 484	17 110 901	216 033	18 251 348
Disposals/Redemptions	(27 174)			(35 121)					(62 295)
Other Transfers	(153 390)						(16 931 707)	(213 092)	(17 298 189)
Closing Balance	3 089 650	12 629 719	1 688 065	846 579	2 395 863	1 105 534	487 161	5 267	22 247 837
Accumulated Amortisation									
Opening Balance		4 055 676	1 182 621	574 979	2 152 299	546 618			8 512 193
Additions		253 678	32 428	41 461	70 201	65 839			463 607
Other Accumulated Depreciation Movements				(35 121)					(35 121)
Closing balance		4 309 354	1 215 049	581 319	2 222 500	612 457	-	-	8 940 679
Net value	3 089 650	8 320 365	473 015	265 260	173 363	493 077	487 161	5 267	13 307 158

Table 84: Tangible Fixed Assets - 2020

The “Tangible Fixed Assets” include the investments not allocated to the concession, that is, the assets that will not revert to the State at the end of the concession period, namely the Company’s headquarters, the Noudar Nature Park (PNN), the Luz Museum, the Cartography Centre, the Casa do Grande Lago and the Alqueva Marina.

Over the years, these investments have been transferred from being in progress to the respective item of “Tangible Fixed Assets” and the depreciation process has been started, as well as the recognition as income (in the same proportion in which they are depreciated) of the subsidies associated to them.

The variation in the item “Land and Natural Resources” is influenced by the transfer of assets owned by EDIA from the item “Investment Properties”, namely land. As what determines their classification is the form of use and there is a change in the purpose of use of these assets, from renting to operational activities of the Company, the respective change in classification was made.

Under the heading of “Other Tangible Fixed Assets”, additions essentially reflect the acquisition of barriers to contain floating invasive aquatic plants and of signalling and safety systems, necessary for the activities of surveillance and monitoring of water quality in EFMA, as well as the acquisition of air conditioning equipment for EDIA’s buildings, headquarters and PNN, respectively.

The variation in the item “Administrative equipment” mainly reflects the acquisition and supply of IT equipment, essentially servers and virtualisation systems and backups for the EFMA irrigation network, with the purpose of having a greater and better performance and monitoring, in the field, of the infrastructures in operation.

Under “Buildings and Other Constructions”, the additions reflect the investment made in the contract works to enlarge the Company’s headquarters, but also to expand the infrastructure of the EFMA Organic Valorisation Unit (URSA), in order to anticipate the growing production of organic by-products associated with irrigated crops.

The variation in the “Transport Equipment” account results from the acquisition of a tractor, for the PNN, to be used in maintenance activities related to livestock, forestry, and agricultural management of the property.

In “Tangible Fixed Assets under Construction”, the additions reflect the investment made, not yet concluded, in projects for the implementation of the Alqueva Left Bank, legal advisory services for the installation of self-consumption production units and construction contracts for electricity lines.

7. Investment Property

The item “Investment Properties” in the amount of EUR 1,040,075 records the carrying amount of investment properties held by EDIA, namely, surplus land from expropriations (initially recorded under the item “Tangible Fixed Assets”, a policy that has been followed by EDIA), with rental potential, i.e., not for use in production, supply of merchandise or services or for administrative purposes, but to lease and/or for capital appreciation.

In accordance with IAS 40 – Investment Property, an investment property should be recognised when it is probable that future economic benefits associated with the investment property will

flow to the entity and the cost of the investment property can be measured reliably.

The item “Investment Properties” is presented in the Statement of Financial Position, in Non-Current Assets.

Investment properties were initially measured at cost, which comprises their purchase price, transaction costs and other directly attributable expenditure.

EDIA has chosen as accounting policy for measurement, after recognition, the cost model for all its investment properties.

After initial recognition, EDIA as opted for the cost model will measure its investment properties according to the requirements of IAS 16 – Tangible Fixed Assets for that model, i.e. an asset should be carried at its cost less any accumulated depreciation and any accumulated impairment losses. Accordingly, the depreciation of an investment property will be made in accordance with that prescribed for tangible fixed assets.

However, it is important to mention that even though EDIA presents the Public Notices where the rural properties are available for sale, and there is a reference value for the bidding, there are no regulations issued by any external entity. However, the Company is making every effort to have a solid reference base in order to measure and record the “Investment Properties” at fair value in the future.

EDIA’s objective is to facilitate the meeting between land supply and demand, making land with agricultural aptitude available for rent, sale or for other types of cession, publishing them in a public notice.

The variation under the heading “Investment Property” results from the transfer of assets, namely land, owned by EDIA, to Tangible Fixed Assets under the heading “Land and Natural Resources”. As what determines their classification is the form of use and there is a change in the purpose of use of these assets, from renting to operational activities of the Company, the respective change in classification was made.



8. Intangible Assets

The movements occurring in the main classes of “Intangible Assets”, recorded at acquisition cost less accumulated amortisation and accumulated

impairment losses, had the following evolution in the years 2021 and 2020:

EUR

Intangible Assets	31/Dec/21									
	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Development Projects	Computer Software	Other Rights	Usage Rights	Ongoing Intangible Assets	Advances due to Investments	Total
Gross Assets										
Opening Balance	240 412 483	1 349 548 276	136 989 107	116 949	2 811 267	195 000 100	0	31 078 147	325 260	1 956 281 588
Additions							876 684	18 559 952	274 309	19 710 945
Other Transfers/Redemptions	61	5 351 785						(5 346 279)	(5 567)	(0)
Closing Balance	240 412 544	1 354 900 060	136 989 107	116 949	2 811 267	195 000 100	876 684	44 291 820	594 001	1 975 992 532
Accumulated Amortisation										
Opening Balance	12 710 710	45 100 483	19 906 273	116 949	2 795 440	100	0	-	-	80 629 956
Additions	859 776	3 118 134	1 281 430		10 832		339 507			5 609 680
Other Transfers/Redemptions										-
Closing Balance	13 570 486	48 218 617	21 187 704	116 949	2 806 273	100	339 507	-	-	86 239 636
Accumulated Impairment Losses										
Opening Balance	174 614 402	1 111 774 074	37 951 222	0	0	195 000 000		30 417 503	225 546	1 549 982 749
Recognised Impairment Losses	61	5 339 149						12 812 295	175 439	18 326 943
Reversed Impairment Losses										-
Closing Balance	174 614 463	1 117 113 223	37 951 222	-	-	195 000 000	-	43 229 798	400 984	1 568 309 693
Final Balance	52 227 594	189 568 220	77 850 181	0	4 994	0	537 177	1 062 023	193 017	321 443 203

Table 85: Intangible Assets –2021

EUR

Intangible Assets	31/Dec/20									
	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Development Projects	Computer Software	Other Rights	Usage Rights	Ongoing Intangible Assets	Advances due to Investments	Total
Gross Assets										
Opening Balance	240 315 907	1 347 407 068	136 989 107	116 949	2 811 267	195 000 100		12 060 937	348 805	1 935 050 140
Additions								20 683 971	547 476	21 231 448
Other Transfers/Redemptions	96 576	2 141 208						(1 666 762)	(571 022)	-
Closing Balance	240 412 483	1 349 548 276	136 989 107	116 949	2 811 267	195 000 100	-	31 078 147	325 260	1 956 281 588
Accumulated Amortisation										
Opening Balance	11 851 916	41 982 557	18 624 843	116 949	2 782 919	100				75 359 286
Additions	859 776	3 117 926	1 281 430		12 521					5 271 654
Other Transfers/Redemptions	(983)									(983)
Closing Balance	12 710 710	45 100 483	19 906 273	116 949	2 795 440	100	-	-	-	80 629 957
Accumulated Impairment Losses										
Opening Balance	174 528 106	1 109 633 215	37 951 865			195 000 000		12 060 937	348 805	1 529 522 930
Recognised Impairment Losses	86 296	2 140 859						18 356 566		20 583 721
Reversed Impairment Losses			(643)						(123 259)	(123 902)
Closing Balance	174 614 402	1 111 774 074	37 951 222	-	-	195 000 000	-	30 417 503	225 546	1 549 982 749
Final Balance	53 087 371	192 673 718	79 131 611	0	28 347	0	0	660 644	99 714	325 668 881

Table 86: Intangible Assets –2020

8.1. Land and Natural Resources, Buildings and Other Constructions and Basic Equipment

As a result of the Alqueva dam and hydroelectric power station coming into full operation in December 2005 and the Pedrógão dam and hydroelectric power station in early 2006, the respective depreciation process (including the

part of the dams allocated to energy production, estimated at 35.1% of the total dam investment) began on these dates, as well as the recognition as income (in the same proportion in which it is depreciated) of the subsidies associated with them.

As of 1 November 2007 (when the concession contract came into effect) these infrastructures,

like the other assets of the concession, are amortised on a straight-line basis over the 75-year concession period, which ends in October 2082.

The percentages of the allocation of primary infrastructures to each of the perimeters in operation are shown in the following tables:

On 31 December 2021, EDIA, within the scope of the 1st Phase of EFMA, has twenty-two perimeters completed and in operation, in the three subsystems, Alqueva, Pedrogão and Ardila.

Primary Network Areas/Infrastructure		Perimeters under Exploitation															
		Monte Novo Perimeter	Alvito-Pisão Perimeter	Pisão Perimeter	Ferreira, Figueirinha and Valbom Blocks (Pisão-Roxo Perimeter)	Alfândão Perimeter	Infrastructure 12	Loureiro-Alvito Perimeter	Ervidel 1 Block (Pisão-Roxo Perimeter)	Ervidel 2 and 3 Block (Pisão-Roxo Perimeter)	Ajustrel Block (Roxo Sado Perimeter)	Pisão Beja Perimeter (Cinco Reis Trindade Blocks)	Pisão Beja Perimeter (Beringel Álamo Blocks)	Pisão Beja Perimeter (Beja Blocks)	Vale de Gaio Perimeter	Roxo Sado 2nd Blocks (Roxo Sado Perimeter)	TOTAL
		Alqueva Subsystem															
Benefited Area (hectares)	-	7 714	10 058	2 588	5 118	4 216	5 980	470	2 914	3 508	1 300	5 600	2 543	2 442	3 290	1 949	59 690
Alqueva and Pedrógão Dams and Complementary Actions (64,9%)	110 203	7,00%	9,13%	2,35%	4,64%	3,83%	5,43%	0,43%	2,64%	3,18%	1,18%	5,08%	2,31%	2,22%	2,99%	1,77%	54,16%
Álamos Pumping Station	59 690	12,92%	16,85%	4,34%	8,57%	7,06%	10,02%	0,79%	4,88%	5,88%	2,18%	9,38%	4,26%	4,09%	5,51%	3,27%	100,00%
Álamos Dam	59 690	12,92%	16,85%	4,34%	8,57%	7,06%	10,02%	0,79%	4,88%	5,88%	2,18%	9,38%	4,26%	4,09%	5,51%	3,27%	100,00%
Álamos – Loureiro Connection	59 690	12,92%	16,85%	4,34%	8,57%	7,06%	10,02%	0,79%	4,88%	5,88%	2,18%	9,38%	4,26%	4,09%	5,51%	3,27%	100,00%
Loureiro Dam	59 690	12,92%	16,85%	4,34%	8,57%	7,06%	10,02%	0,79%	4,88%	5,88%	2,18%	9,38%	4,26%	4,09%	5,51%	3,27%	100,00%
Loureiro – Monte Novo Connection	7 714	100,00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,00%
Loureiro-Alvito Tunnel	51 976	-	19,35%	4,98%	9,85%	8,11%	11,51%	0,90%	5,61%	6,75%	2,50%	10,77%	4,89%	4,70%	6,33%	3,75%	100,00%
Alvito Water Intake	51 976	-	19,35%	4,98%	9,85%	8,11%	11,51%	0,90%	5,61%	6,75%	2,50%	10,77%	4,89%	4,70%	6,33%	3,75%	100,00%
Alvito Water Supply	51 976	-	19,35%	4,98%	9,85%	8,11%	11,51%	0,90%	5,61%	6,75%	2,50%	10,77%	4,89%	4,70%	6,33%	3,75%	100,00%
Alvito-Pisão Connection	42 236	-	23,81%	6,13%	12,12%	9,98%	-	-	6,90%	8,31%	3,08%	13,26%	6,02%	5,78%	-	4,61%	100,00%
Odivelas Bypass	9 270	-	-	-	-	-	64,51%	-	-	-	-	-	-	-	35,49%	-	100,00%
Vale de Gaio Hydraulic Circuit	3 290				-	-	-	-	-	-	-	-	-	-	100,00%	-	100,00%
Pisão-Beja Connection	10 585	-	-	-	-	-	-	-	-	-	-	52,91%	24,02%	23,07%	-	-	100,00%
Pisão-Roxo Connection	14 789	-	-	-	34,61%	-	-	-	19,70%	23,72%	8,79%	-	-	-	-	13,18%	100,00%
Roxo Sado Connection	1 949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,00%	100,00%
Pisão Dam	6 804	-	-	38,04%	-	61,96%	-	-	-	-	-	-	-	-	-	-	100,00%

Table 87: Perimeters in operation - Alqueva Subsystem

		Perimeters under Exploitation							Other Perimeters		
Primary Network Areas/Infrastructure	Benefited Area (hectares)								TOTAL		
		Orada Amoreira Perimeter	Brinches Perimeter		Brinches-Enxoé Perimeter	Serpa Perimeter	Caliços Machados Perimeter	Caliços-Moura Perimeter		Pias Perimeter	Brenhas Perimeter
		Ardila Subsystem									
Benefited Area (hectares)	-	2 522	5 463		4 698	4 400	5 000	2 136	4 614	745	29 578
Alqueva and Pedrógão Dams and Complementary Actions (64,9%)	110 203	2,29%	4,96%		4,26%	3,99%	4,54%	1,94%	4,19%	0,68%	26,84%
Estação Elevatória de Pedrógão e Adutor de Pedrógão	29 578	8,53%	18,47%		15,88%	14,88%	16,90%	7,22%	15,60%	2,52%	100,00%
Amoreira and Brinches Dam	29 578	8,53%	18,47%		15,88%	14,88%	16,90%	7,22%	15,60%	2,52%	100,00%
Amoreira-Caliços Hydraulic Circuit	12 495	-	-		-	-	40,02%	17,09%	36,93%	5,96%	100,00%
Caliços-Pias Hydraulic Circuit	4 614	-	-		-	-	-		100,00%	-	100,00%
Caliços Machado Hydraulic Circuit	5 000	-	-		-	-	100,00%	-	-	-	100,00%
Brinches Pumping Station	14 561	-	37,52%		32,26%	30,22%	-	-	-	-	100,00%
Brinches Enxoé Pipeline	14 561	-	37,52%		32,26%	30,22%	-	-	-	-	100,00%
Serpa Dam	4 400	-	-		-	100,00%	-	-	-	-	100,00%
Torre do Lóbio Pumping Station, Serpa Pipeline and Serpa North Reservoir	4 400	-	-		-	100,00%	-	-	-	-	100,00%

Table 88: Perimeters in operation – Ardila subsystem

Primary Network Areas/Infrastructure	Benefited Area (hectares)	Perimeters under Exploitation			TOTAL
		Pedrógão Right Bank Perimeter	S.Pedro Baleizão Quintos Perimeter	S. Matias Perimeter	
		Pedrógão Subsystem			
Benefited Area (hectares)	-	4 800	11 270	4 865	20 935
"Alqueva and Pedrógão Dams and Complementary Actions (64,9%)"	110 203	4,36%	10,23%	4,41%	19,00%
Pedrógão Pumping Station and Pedrógão-Right Bank Pipeline	20 935	22,93%	53,83%	23,24%	100,00%
S.Pedro Baleizão Quintos Hydraulic Circuit	11 270		100,00%		100,00%
S. Matias Hydraulic Circuit	4 865			100,00%	100,00%

Table 89: Perimeters in operation – Pedrógão Subsystem

However, in the 4th quarter of 2021, the Cuba-Odivelas and Évora blocks were concluded and entered into operation, the first completed blocks of the 2nd Phase of EFMA.

The allocation of the investment made in the upstream primary infrastructure of these two blocks is 100%, as described:

- Cuba-Odivelas Block

The Cuba-Odivelas Block originates from the Alvito-Pisão canal, upstream from the water intake for the West Cuba Block, where a filtering tower equipped with a sieving device capable of carrying out primary filtration of the water supplied to the said Block was built.

- Évora Block

The Évora Block has its water source in the Loureiro Monte Novo Canal, precisely in the R2 reservoir, from where the pumping main that supplies the Espinheira reservoir derives. In turn, this reservoir is responsible for supplying the entire Évora Block.

Infrastructures relating to the uses of the public waterways domain allocated to EFMA, object of the respective concession contract concluded between EDIA and the State and forming part of the primary system (dams, hydroelectric plants, and primary network) of the Development, for the duration of the concession, are the property of the concessionaire.

At the end of the concession, the assets revert, without any compensation, to the State, free of any onus or charges and in perfect operating conditions, use and maintenance. Since these infrastructures, with the exception of hydroelectric power plants, are allocated to the “water” segment and, as such, have already been subject to adjustment for impairment losses, and their net book value is null (see Note 8.4), no amortization of these investments is made.

Therefore, the calculation of the amount of depreciation that would be reflected in the financial statements if the impairment losses had not been previously recognised, serves only to determine which part of the impairment losses is accepted as a tax expense for each period, under the terms of article 31 - B of the IRC CodE.

8.2. Other Rights

The amount under the heading “Other Rights” corresponds essentially to the initial financial compensation paid by EDIA to the State, amounting to EUR 195,000,000, resulting from the “Concession Contract for the Use of the Public Waterways Domain allocated to EFMA”, of 17 October 2007, concluded between EDIA and the State, with a duration of 75 years. This contract sets out the terms and conditions which will govern the grantor-concessionaire relationship, specifying the content of the mission associated with the operation of the Development and defining the rules for the exercise of the said rights of private use of the public waterways domain.

As this amount is directly related to the water distribution activity (and not to the energy production activity subconcessed to EDP), which is fully impaired, the EUR 195,000,000 are covered by accumulated impairment losses of the same amount (see Note 8.4).

8.3. Tangible and Intangible Fixed Assets under construction

The breakdown of Tangible and Intangible Fixed Assets under construction is as follows:

	EUR	
	31/Dec/21	31/Dec/20
Ongoing Tangible Assets		
Regional Development	513 330	476 361
Headquarters	10 800	10 800
	524 130	487 161
Ongoing Intangible Assets		
Primary Network	30 775 225	19 624 340
Álamos	10 490 891	9 571 631
Pedrógão Dam and Power Station	2 728 443	1 582 686
Alqueva Dam	297 261	299 490
	44 291 820	31 078 147
Total	44 815 950	31 565 308

Table 90: Breakdown of Tangible and Intangible Fixed Assets in Progress

The variation is due to the additions in intangible assets, in the item “Investments in Progress”, excluding capitalisations, which refer essentially to the Primary Network, Branches and Dam and Pedrógão Power Plant projects.

	EUR	
Projects	31/Dec/21	
Primary Network		
Roxo-Sado Canal	6 051 995	
Viana do Alentejo Hydraulic Circuit	5 076 522	
Pedrógão Hydraulic Circuit	2 433 493	
Évora Hydraulic Circuit	849 246	
Cuba-Odivelas Hydraulic Circuit	561 379	
Pedrógão Dam and Power Plant		
Treatment of Foundations and Implementation of the Observation Plan	1 145 757	
Álamos		
Pumping Capacity Reinforcement Pumping Station	1 034 274	
Others (value includes capitalisations)	1 407 285	
Total	18 559 952	

Table 91: Investments in progress

With a view to the sustained development of the region, in order to optimise the benefit of the competitive advantages provided by the Project and the full use of the water resources available, within a framework associated with the optimisation of the main hydraulic circuits, EDIA has developed a strategy to promote and increase irrigation through the infrastructure of areas bordering the Development.

Once the first phase of the Development was completed with the operationalisation of the 120.000 ha irrigated area and with potential irrigated areas of approximately 50.000 ha already identified in adjacent areas, the second phase of the Development began in 2019 with the infrastructure of these adjacent areas.

Given the recognised interest and unquestionable technical, economic, and environmental viability of these territories, and after obtaining the guarantee of non-repayable funding for eligible investments in collective irrigation under the PNRegadios, EDIA was responsible for optimising and monitoring the implementation projects and respective works in neighbouring areas.

At 31 December 2021, the values under Intangible Assets in Progress essentially reflect the investment: (i) made in the primary network of the neighbouring areas, in the Roxo-Sado Canal (connection to Morgavél), Hydraulic Circuits of Viana do Alentejo, Pedrógão, Évora and Cuba-Odivelas; (ii) provision made in the lawsuit brought by Tecnasol-FGE to EDIA, relating to the contract for the treatment of foundations and implementation of the Pedrógão exploitation observation plan; and (iii) made in the project to strengthen the pumping capacity of the Álamos pumping station.

The values under Tangible Assets under Construction reflect essentially the investment made, not yet concluded, in projects for the implementation of the surroundings of Alqueva Left Bank, legal advisory services for the installation of self-consumption production units and construction contracts for electric lines.

8.4. Impairment losses

Following the definition, in 2010, of the tariff for supply of water from the primary system, EDIA has been estimating the recoverable amount of the assets in the “water” segment by determining the respective value in use, having always concluded, in the impairment tests performed since 2009, that the present value of future cash flows associated with this segment is negative, so the accumulated impairment loss corresponds to the total value of the assets (net of inseparable liabilities - subsidies) allocated to this segment.

Therefore, the intangible assets allocated to this segment, with a gross value of EUR 1,568,309,693 on 31 December 2021 (EUR 1,549,982,749 at 31 December 2020) are fully offset by accumulated impairment losses of the same amount.

The impairment losses mentioned above have been recognised as the investment in the “water” segment is executed. Therefore, and since these assets already have a null net book value through the recognition of impairment losses, the investments of this segment will not be subject to any amortisation over the useful life of the respective infrastructures.

The amounts allocated to each of the segments (water, energy, other) under “Intangible Assets” (gross amounts) were as follows:

EUR

Intangible Assets	31/Dec/21			31/Dec/20		
	"Water" Segment	"Energy" Segment	Other	"Water" Segment	"Energy" Segment	Other
Development Projects			116 949			116 949
Computer Software		1 805 861	990 424		1 805 861	990 424
Usage Rights			339 507			
Other Rights	195 000 000		100	195 000 000		100
Land and Natural Resources	174 614 463	65 798 080		174 614 402	65 798 080	
Buildings and Other Constructions	1 117 113 223	237 786 836		1 111 774 074	237 774 200	
Basic Equipment	37 951 222	99 037 884		37 951 222	99 037 884	
Ongoing Intangible	43 229 798	1 062 022		30 417 503	660 644	
Advances due to investments	400 984	193 106		225 546	99 714	
Total	1 568 309 693	405 683 790	1 446 980	1 549 982 749	405 176 383	1 107 473

Table 92: Intangible Assets

Likewise, subsidies associated to the water distribution activity, whose assets have been concluded (in the impairment tests carried out over the years) to be totally impaired, have been derecognised when recording impairment losses of the respective assets, i.e., these losses are

recognised in the Statement of Comprehensive Income by the net value of the respective subsidies.

9. Related Parties

9.1. Financial Holdings – Other Methods

EUR

Corporate Name	Share Capital	% Holding	No. Of Shares / Holdings	Nominal Value	Acquisition Cost	Value of the Holding at 31 December 2021	Value of the Holding at 31 December 2020
Águas do Vale do Tejo, S.A.	83 859 578	0,30	250 000 A	1	250 000	250 000	250 000
Agência de Desenvolvimento Regional do Alentejo, S.A.	499 000	4,11	4 110 A	5	20 501	20 501	20 501
Centro Operativo e de Tecnologia do Regadio	63 500	9,82	11 UP	500	6 070	6 070	6 070
Total					276 571	276 571	276 571

Table 93: Financial Holdings

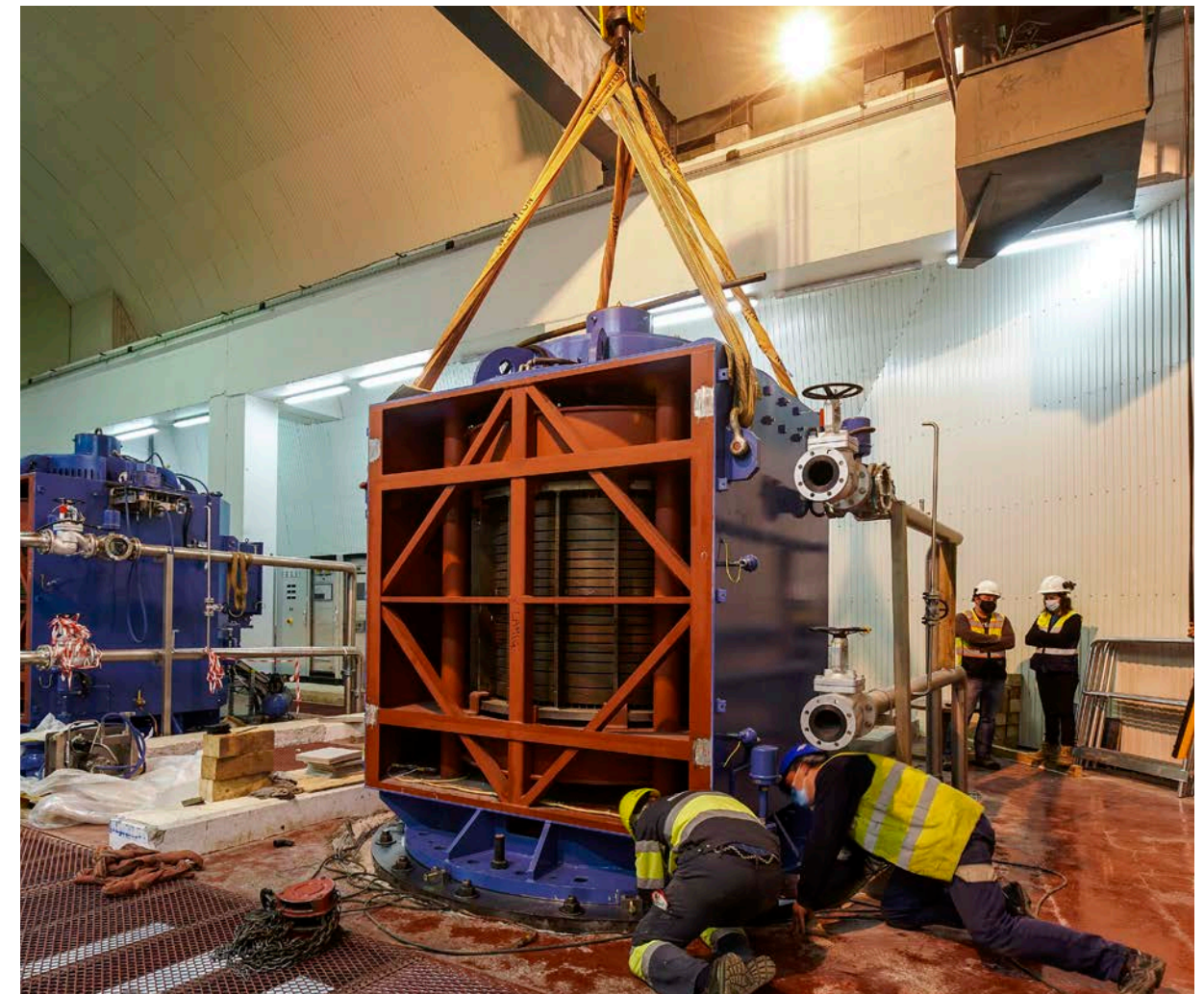
These shareholdings were initially recorded at acquisition cost (EUR 276,571), as EDIA does not hold a dominant or significant stake (which is presumed to be the case when the stake held is equal to or greater than 20%) in any of the companies identified above.

With the registration of the closure of liquidation and cancellation of the registration of the company Lusofuel S. A., the company is considered to be extinguished. EDIA thus proceeded to eliminate the 10% stake that it held in that company, initially recorded at cost for the amount of EUR 50,000

Whenever there are indications that the asset may be impaired, an evaluation of these investments is made, and the impairment loss revealed to exist is recorded.

9.2. Transactions and balances with related parties

There are no: (a) current accounts receivable (customers) balances from related parties, and (b) amounts payable nor transactions with related parties.



9.3. Remuneration of Key Management Personnel

FIXED REMUNERATION STATUS
BOARD OF DIRECTORS (Executive Directors)
CHAIRPERSON
Shareholder Order of 23 May 2018
Remuneration of € 4,864.34 (14 times per year) plus 40% by way of representation expenses in the amount of € 1,945.74 (12 times per year)
Remuneration applied: a)
Remuneration of € 4,621.12 plus € 1,848.45 as representation expenses
Remuneration reduced by 5% (Reduction foreseen in article 12(1) of Law no. 12/2010, of 30 June)
Company Vehicle (purchase limit of € 40,000.00); Driver; Mobile Phone (monthly limit of € 80.00); Health Insurance (€ 360.83 per year)
MEMBERS
Shareholder Order of 23 May 2018
Remuneration of € 3,891.47 (14 times per year) plus 40% by way of representation expenses in the amount of € 1,556.59 (12 times per year)
Remuneration applied: a)
Remuneration of € 3,696.90 plus € 1,478.76 as representation expenses
Remuneration reduced by 5% (Reduction foreseen in article 12(1) of Law no. 12/2010, of 30 June)
Company Vehicle (purchase limit of € 40,000.00); Driver; Mobile Phone (monthly limit of € 80.00); Health Insurance (€ 360.83 per year)

Table 94: Fixed Remuneration Status – Board of Directors

(a) The Unanimous Social Resolution in Writing of 23 May 2018 fixed the remuneration status of the members of EDIA's Governing Bodies for the 2018–2020 term of office, and the same guideline was maintained for 2021.

10. Income Tax

In the context of the approval of a set of additional measures for budgetary consolidation aimed at strengthening and accelerating the reduction of the excessive deficit and the control of the growth of public debt envisaged in the Stability and Growth Programme (PEC), the 5% reduction of the salaries of public managers and those equivalent, envisaged in Article 12(1) of Law no. 12-A/2010 of 30 June, was maintained.

There are still no management bonuses to be awarded.

The expense (income) for income taxes on 31 December 2021 and 31 December 2020 has the following composition:

	EUR	
	31/Dec/21	31/Dec/20
Current Taxes		
Autonomous Taxation	29 636	45 214
Total	29 636	45 214

Table 95: Expenditure (income) on income taxes

The Company is subject to Corporate Income Tax (IRC) at the standard rate of 21%, and the municipal surcharge is set at a maximum rate of 1.5% of taxable profit.

Under Article 88 of the IRC Code, the Company is subject to additional autonomous taxation on a set of charges, at the rates provided for in that article. However, autonomous taxation rates are increased by 10%, since EDIA presented tax losses in the previous tax period.

The amount of the item reflects the estimated amount of autonomous taxation to be borne in 2021 by EDIA.

In this financial report under IAS/IFRS, the Company has not recognised, in 2021 or in previous years, any deferred tax assets relating to deductible temporary differences (namely those generated by the impairment losses of the “water” segment) or tax loss carry forwards, as there is no reasonable assurance that future taxable profits will allow the use of these deductible temporary differences and tax loss carry forwards before they expire.

under the “Concession Contract for the use of water resources for the abstraction of water for irrigation and the production of electricity in the EFMA primary system” (concluded between EDIA and the Portuguese State, It is argued that in the specific case of the Company the rule provided for in Article 12.1 of Regulatory Decree No. 25/2009 of 14 September, which allows the amortisation of reversible assets at the end of the concession, would apply.

In 2021, the rulings of the TSA were known for the various cases, which defend the thesis that, if there is a rule prohibiting the amortisation of land, this always applies, even in cases of concession. In view of the above, EDIA analysed and as it does not foresee any other procedural mechanism to appeal these decisions, it will request the release of the respective bank guarantees.

12. Inventories

As of 31 December 2021, and 31 December 2020, the Company's “Inventories” are detailed as follows:

	EUR	
Inventories	31/Dec/21	31/Dec/20
Ongoing Products and Works (PTC)	13 450 873	24 180 649
Subsidiary Materials	347 592	795 669
Goods	34 800	8 524
Total	13 833 265	24 984 843

Table 96: Inventories

Over the years, EDIA has contradicted the understanding of the Tax Authority that land

Following the publication of Decree-Law 335/2001 of 24 December, which, with the exception of infrastructure 12, provided for the transfer to the State of the infrastructure forming part of the secondary network allocated to EFMA, from 2002 EDIA began to show the cost of works on the infrastructure of the secondary network that had not yet been transferred to the State or another entity indicated by it, under the item “Inventories”.

The balance of the “Inventories” item results globally from the variation in the “Products and Works in Progress” account.

The evolution of “Products and Works in Progress” in the year 2021 can be summarised as follows:

	31/Dec/20	Additions	Capitalisations	Transfer to Other Accounts Receivable	31/Dec/21
Ongoing Products and Works	24 180 649	10 232 062	814 723	21 776 561	13 450 873

Table 97: Work in Progress

The variation in this sub-account results from: (i) the investment made and respective capitalisation, in projects related to the blocks under construction of the 2nd phase, in which the infrastructure of about 50,000 ha in the so-called bordering areas is expected, namely in the projects identified below; and (ii) the transfer of infrastructure of the secondary network that, in the meantime, were completed, and that under the contract are for the DGADR.

Projects	31/Dec/21
Viana do Alentejo Block	4 280 489
Cuba- Odivelas Blocks	2 664 525
Évora Blocks	2 485 102
Other	801 945
Total	10 232 062

Table 98: Work in Progress

The “Subsidiary Materials” account reflects, in its entirety, the unused maintenance and spare parts for the infrastructures of the primary and secondary networks, which are in a single general warehouse. The decrease in this account shows the removal of parts from stock, which are consumed and allocated to the various EFMA infrastructures, whenever necessary.

The “Merchandise” account reflects the merchandise that are in the Luz Museum and the Noudar Nature Park, which are intended to be sold, just as they were acquired.



13. Customers, Sales and Services Rendered

Revenue is measured at the fair value of the consideration received or receivable.

13.1. Customers

This item is broken down by nature and segment as follows:

EUR

Customers	31/Dec/21	31/Dec/20
General Customers	4 519 286	4 758 902
Customers – Water Segment	4 447 828	4 723 211
Customers – Others	71 458	35 692
Customers – Payment Agreement	74 456	57 132
Customers – Water Segment	74 456	57 132
Customers – Fiscal Execution	511 202	331 702
Customers – Water Segment	511 202	331 702
Customers – Doubtful Collection	879 989	1 167 168
Customers – Water Segment	879 989	1 167 168
Impairment Losses	(879 989)	(1 167 168)
Customers – Water Segment	(879 989)	(1 167 168)
Total	5 104 944	5 147 737

Table 99: breakdown of the “Customers” item by nature and segment



The main balances of “General customers” are as follows:

EUR

General Customers	31/Dec/21	31/Dec/20
Associação de Regantes e Beneficiários de Campilhas e Alto Sado	212 517	378 398
Fundação Eugénio de Almeida	155 677	189 739
Olivomarques	102 061	41 950
Antonio Luis da Fonseca Cano	85 890	23 921
Innolivo Portugal	84 057	73 731
Trigonovo Agropecuária	83 840	-
Associação de Beneficiários da Obra da Vigia	79 027	74 440
Sociedade Agrícola dos Patos	71 279	-
António José Zorrinho Vieira Lima	67 489	52 045
Reinaldo António Gonçalves Engrossa	66 237	62 532
Luso Almendras	64 214	17 548
Sociedade Agrícola dos Vales	57 037	60 559
Monte da Cegonha	55 952	-
Alentejo Stillfresh	52 482	65 211
Sociedade Agropecuaria Bolota Verde	51 529	-
Ilídio José Vieira de Matos	50 485	-
Sociedade Agrícola do Cardin	48 166	32 498
Cardal Chancuda	47 907	-
Sociedade Agropecuaria Terras do Peso	47 105	41 413
Vale da Condessa	47 099	-
Querida Primavera	6 944	146 740
Eurocompetência	-	108 776
Camposul	-	77 736
Outros	2 982 292	3 311 665
Total	4 519 286	4 758 902

Table 100: Main “Customers” balances

The variation in this account is partly the result of the amounts settled by the various customers until 31 December 2021, some of them being entities that are in charge of the operation and conservation of infrastructures adjoining EFMA (hydro-agricultural facilities, public and industrial supply), related to the supply of water from the primary network.

Most of the balances under the item others (unit value less than EUR 45,000), reflect mostly the amounts receivable for water distribution services provided, which result from compliance with Order

No. 3025/2017, which sets the current price of water, under the EFMA public water service.

The credits considered doubtful (EUR 879,989), whose value shows a significant decrease, in this year of 2021, after evaluation by the Company, are subject to accounting recognition of the respective impairments. With the change of criteria in 2020, the balances of customer accounts in tax foreclosure and with payment agreements are also considered for purposes of calculating impairment.

The balance of the “Customers–Tax Enforcement” account (EUR 511,202) reflects the value of the tax enforcement proceedings brought by EDIA, which aim to make rapid and effective the collection of the credits of which the Company is holder. This positive variation results from the Company’s efforts to be reimbursed for the amounts owed.

These amounts result from the water distribution services provided by the Company, in which there was no fulfilment of the obligation, payment of the service, within the legal period, and the Company has previously taken all the necessary steps to recover these credits.

The significant variation recorded under the item “Payment Agreement” (EUR 74,456), reflects the claims, reflected in a written agreement, confession of debt and payment plan, enforceable, detailing the amounts of the phased payments for the settlement of the outstanding invoice(s).

13.2. Sales and Services Rendered

EUR		
Sales and Services Rendered	31/Dec/21	31/Dec/20
Sales		
Energy – Small hydro plants	556 612	994 756
Energy – Photovoltaic	72 607	35 227
Noudar Nature Park	51 173	78 115
	680 393	1 108 098
Services Rendered		
Water Distribution	19 252 718	19 128 169
Energy Production	15 545 561	15 194 042
Noudar Nature Park	102 446	78 600
Cartography and Expropriations	18 788	30 803
	34 919 514	34 431 614
Total	35 599 907	35 539 712

Table 101: Sales and services rendered

13.2.1. Sales

The amount of EUR 680,393 registered in sales, in the year 2021, essentially reflects the amount of energy sales issued to the network: (i) by the Odivelas, Alvito, Serpa and Pisão mini-hydroelectric power stations (EUR 556,612); and (ii) by the Alqueva photovoltaic power station (EUR 72,607).

The decrease in the sub-account of the mini-hydroelectric plants energy production is due to the fact that it was not necessary to transfer water to the Roxo reservoir and a lower value was transferred to the Odivelas reservoir, which caused the turbine volume to be lower at the Odivelas and Alvito plants. Regarding the photovoltaic power plant, the increase in production is due to the replacement of inverters that were out of order in 2020.

13.2.2. Services Rendered

Water Distribution

The transposition of the Water Framework Directive was undertaken by Law 58/2005 of 29 December and developed by Decree-Law 226-A/2007 of 31 May and Decree-Law 97/2008 of 1 June, enshrining the principle of the economic value of water, by virtue of which the current or potential scarcity of this resource is recognised and the need to guarantee its economically efficient use, with recovery of the costs of water services, even in environmental and resource terms.

In compliance with Order No. 9000/2010 of 27 April, which set the prices of water for irrigation for agricultural use, under the public water service of EFMA, EDIA in the 2nd half of 2010 began the billing process.

In April 2017, Order No. 9000/2010 was revoked and Order No. 3025/2017, dated 11 April 2017, was approved, in which a new tariff applicable to the public water service associated with irrigation for agricultural use, under EFMA, is set.

The legislator sought to create conditions so that the price of the service remains competitive, considering that the conditions to increase the competitiveness and attractiveness of the Development through the revision of the tariff in force are currently met.

A set of rules was established aimed at ensuring the sustainable management of water resources through the internalisation of the costs and benefits associated with water use, having established, as key instruments for this purpose, the water resources charge and the public water service tariff.

It is important to take into consideration the need to find a balance between the costs associated with the operation and conservation of the Development, including the primary system, as well as the payment capacity of the beneficiary users, in light of the economics of the crops installed. Indeed, the tariff structure is based on an equation of sensitive balance, which must simultaneously internalise all costs to meet the sustainability requirements of national and EU legislation, constitute a factor of competitiveness and attractiveness of the region and also correspond to the payment capacity of users, and should therefore include a solidarity factor.

This Order also sets the tariffs applicable to the public water service for public supply and industrial use, taking into consideration the specificities of these other uses, such as the high levels of guaranteed supply.

Thus, the following is determined:

- The tariff applicable to the supply of water for irrigation, from the primary network, to entities in charge of the operation and maintenance of hydro-agricultural facilities adjoining EFMA is EUR 0.0301/m³;
- The tariff applicable to the outlet of the secondary network for supplying water to agricultural holdings is broken down into a fixed component, the maintenance charge, and a variable component, the operating charge, which is intended to cover the costs of maintaining and operating the infrastructure, applied annually to each hectare benefited and each cubic meter of water supplied, respectively.

Under the terms referred to in the previous numbers, the applicable tariff is as follows:

- At the outlet of the secondary network, for supplying high-pressure water to farms, the maintenance and operating fees are 55.22 EUR/ha and 0.0592 EUR/m³ respectively;
- At the outlet of the secondary network, for supplying low-pressure water to farms, the maintenance and operating fees are 20.08 EUR/ha and 0.0321 EUR/m³ respectively;
- For public supply: 0.0452 EUR/m³; and
- For industrial use: 0.0602 EUR/m³

Under the provisions of paragraph 3 of Article 67 of the Legal Framework for Hydroagricultural Development Works (RJOAH), users on a temporary basis, i.e. those who, for any reason, use regularised water or water originating from EFMA

infrastructures outside the perimeter area, pay a tariff corresponding to an operating fee of:

- At connection or source in high pressure: 0,0773 EUR/m³; and
- At connection or low-pressure origin: 0,0382 EUR/m³.

In the invoicing issued regarding the supply of high-pressure water, variable values are established and applied, with aggravation of reduction up to 20% of the values of the exploitation rate, according to the off-peak/super-peak, full and peak hour periods, as established in point 12 of Order No. 3025/2017.

The values established in the previous numbers are updated according to the average annual variation of the consumer price index, excluding housing, in mainland Portugal, published by INE.

The tariff will be applied with the following phasing:

In the first year following conclusion of the construction of the secondary networks of each of the EFMA irrigation perimeters included in the 120,000 ha corresponding to the first phase of the Development, the tariffs to be applied should be 40%, rising in the following years to 60% and 80% respectively, making up the final tariff in the 4th year.

As for the irrigation perimeters, construction of the 2nd phase of the Development, the amounts to be charged in the 1st year following conclusion of the construction of each one corresponds to 50% of the tariff, making up the definitive tariffs in the 2nd year.

The calculation is based on the area benefited by the irrigation infrastructures and the volume of water supplied.

The average annual variation rate of the CPI except housing for the mainland, since the approval of the tariff in force, in April 2017, has been residual, leading EDIA to maintain, in the years 2018 (variation 0%) and 2019 (variation 0.1%), the values of 2017. For 2020, given that according to the values of the index variation published by INE, in 2019, for the period in question, it was 0.4%, already with some impact, the tariff was updated.

However, it was verified that in 2020, the evolution of the CPI throughout the year was very irregular, resulting from the conditions caused by the pandemic context of COVID-19, with a negligible variation, with null impact, causing the tariff in force for 2021 not to suffer changes compared to 2020.

The breakdown of income for the year 2021 and 2020 is as follows:

	EUR	
	2021	2020
Exploitation Component	14 047 198	12 344 381
Conservation Component	3 768 453	3 779 650
Boundary Perimeters	448 073	2 164 367
Direct Abstractions	777 789	744 085
TRH	211 206	95 686
Total	19 252 718	19 128 169

Table 102: Breakdown of "Income".



Compared with the homologous period, the variation occurred in this item results mainly from:

- The increase in the operating component resulting from the increase in the volume distributed at the EFMA perimeters; and
- Reduction of operations with entities in charge of the operation and maintenance of hydro-agricultural, public supply and industrial facilities, bordering EFMA, related to the supply of water from the primary network. The sharp decrease is justified by the meteorological situation observed in this period, which saw frequent and sometimes intense rainfall, which led to a significant reduction, in general terms, in this year of 2021, in water reinforcements made to reservoirs and water sources, especially from neighbouring perimeters and public supply.

In the case of abstraction of water for agricultural irrigation, in which EDIA, as the taxpayer, is not the end user of water resources, it passes on to the end user the economic burden that the TRH represents, together with the tariff it applies, as set out in Order No. 484/2009 of 16 December 2008.

Thus, this transfer of the TRH, to the end user, is made within the billing of the water supply service.

Bearing in mind that the volume captured is calculated through an annual water balance, applied to the different EFMA reservoirs, the volume to be considered in the calculation of the WRR to be passed on will be the volume supplied to each end-user in the period in question. As the volume abstracted was higher, this component (TRH) also suffered an increase.

Energy Production

The balance of the “Energy Production” sub-account (EUR 15,545,561) arises entirely from the “Concession Contract for the Operation of the Alqueva and Pedrógão Hydroelectric Plants” (EUR 12,645,948), entered into between EDIA and EDP for a period of 35 years, under which EDP undertook to pay EDIA financial compensation on the following terms:

- An initial amount of EUR 195,000,000, plus VAT at the legal rate and paid on the date of entry into force of this contract; and
- Throughout the life of the contract, a periodic annual amount of EUR 12,380,000 (value updated in 2011) plus VAT at the legal rate and paid annually on the same day and month of the entry into force of the contract, the first instalment being due in 2008.

The value corresponding to energy production breaks down as follows:

	EUR	
	2021	2020
Value resulting from the financial plan drawn up for the concession contract with EDP	12 645 948	12 645 948
Value resulting from the concession contract with EDP in the part corresponding to the financial revisibility as a result of the change in the volumes of water withdrawal from the Alqueva and Pedrógão reservoirs	2 914 250	492 910
Correction of the financial revisibility calculation between 2008 and 2019	-	1 989 130
Correction of the financial revisibility calculation between 2010 and 2019	(44 729)	-
Other	30 092	66 054
Total	15 545 561	15 194 042

Table 103: Energy Production

The volumes of water withdrawn from the Alqueva and Pedrógão reservoirs reported to EDP, for the calculation of financial compensation, to be paid in accordance with the provisions of the Operating Contract, correspond to the value of EUR 2,914,250. However, there were adjustments resulting from the incorrect application of revisibility formulas in strict compliance with the contractually established (EUR 44,729), which resulted in an invoice to EDP for EUR 2,869,521.

Other Services Rendered

The remaining amount (EUR 121,234) under “Services Rendered” reflects: (i) services provided at the Noudar Nature Park relating essentially to activities associated with tourism and hotel operations (EUR 102,446); and (ii) the services provided by EDIA within the scope of expropriations, which aim to ensure various expropriation procedures (evaluation, negotiation and acquisition of property) and cartography, providing services in the field of production of geographical information, being associated with national projects involving the production of cartography, topography, geodesy and land registry (EUR 18,788).

14. Advances to Suppliers

EDIA, in the year 2021, continued the analysis of the composition and nature of the balance of the advances account, acting with the entities that remained in default in issuing the respective legal documents, reaching an amount of EUR 5,958, in the respective item, lower than that recorded in the accounts on 31 December 2020 (EUR 13,834).

The value of this item essentially reflects the advances made on account of costs with external supplies and services, having been internally guaranteed and complied with, all the procedures of validation and authorisation of expenses, although without a legal document issued at the time of payment, by the various entities, to comply with the minimum legal requirements.

Upon receipt of the invoices, these sums were transferred to the respective item of suppliers, and thus the Company settled the sum of EUR 7,876 during the year 2021.

15. State and Other Public Entities

This heading includes, on 31 December 2021 and 31 December 2020, the following balances:

	EUR	
	31/Dec/21	31/Dec/20
Current Assets		
VAT – Value Added Tax	1 363 700	755 874
IRC – Corporate Income Tax	57 161	105 594
Total	1 420 861	861 467
Current Liabilities		
Social Security contributions	154 127	122 770
Income tax withholdings	100 358	76 858
Estimated Corporate Income Tax	29 636	45 214
Total	284 121	244 842

Table 104: State and Other Public Entities – Balances

In Current Assets, the VAT account balance reflects, globally, the amounts entered in the periodic declarations, in excess to be reported, of the tax to

be recovered for the months of August, November and December 2021, resulting from the investment made, essentially, in projects of the 2nd phase of EFMA.

The balance of IRC, shown under Current Assets, refers to the special payment on account of IRC (PEC) for the 2018 financial year.

The amounts in the accounts “Social Security Contributions” and “Income Tax Retention”, shown under Current Liabilities, correspond to the outstanding amounts of Social Security and Personal Income Tax associated with the processing of salaries, for December 2021, of EDIA employees, already paid in January 2022.

The item “Estimated IRC”, under Current Liabilities, reflects the value of autonomous taxation to be borne by EDIA, for the year 2021.

In the financial reporting under IAS/IFRS, the Company has not recognised, in 2021 or in previous years, any deferred tax assets relating to deductible temporary differences (namely those generated by the impairment losses of the “water” segment) or tax loss carry forwards, as there is no reasonable assurance as to the existence of future taxable profits that would allow these deductible temporary differences and the tax loss carry forwards to be used before they expire.

16. Other Accounts Receivable

On 31 December 2021 and 31 December 2020, this item was detailed as follows:

EUR		
Other Accounts Receivable	31/Dec/21	31/Dec/20
Concession Agreement_ IFRS 15- Current Assets	6 011 378	5 808 085
Concession Agreement_IFRS 15- Non-Current Assets	175 949 543	181 960 921
	181 960 920	187 769 006
Concession Agreement_GADR_RS	160 339 441	138 562 880
DGADR_IE12	70 794 862	70 794 862
Debtors by Accrued Income	6 373 492	3 267 808
Community Funds	0	63 253
Other Debtors	216 921	209 854
Impairment Losses	(22 943)	(22 943)
Total	419 228 851	400 225 012

Table 105: Other Accounts Receivable

Concession Agreement – EDP_IFRS 15

In 2017, the Company adopted IFRS 15 “Revenue from Contracts with Customers” for the first time, particularly with regard to the recognition of revenue from the concession contract signed on 24 October 2007 between EDIA and EDP, which awarded EDP the operation of the Alqueva and Pedrógão hydroelectric plants for 35 years. EDIA received the sum of EUR 195 million and invoices annually the amount of EUR 12,380,000 during the contract period. Consequently, it recognised in the year 2021 the amount of EUR 181,960,920 in an account receivable corresponding to the unconditional right to that retribution. The decrease of the balance in the year 2021 relates to the depreciation of the asset, in accordance with the financial plan built for this purpose, in which a fixed discount rate of 3.5% is considered.



DGADR – CC – Secondary Network

EUR

Other Accounts Receivable	Investment	Capitalisations	Grants	Total
DGADR_CC_RS	659 155 966	24 245 932	(523 062 457)	160 339 441
Total	659 155 966	24 245 932	(523 062 457)	160 339 441

Table 106: DGADR – CC – Secondary Network

As mentioned in Note 12, under the Concession Contract for the Management, Operation, Maintenance and Conservation of EFMA Secondary Network Infrastructure, signed on 8 April 2013 and in force until 31 December 2020, it is established that EDIA (concessionaire) will deliver to the State (grantor), represented by DGADR, of the already completed infrastructures of the secondary network, drainage and agricultural roads, the merchandise and equipment necessary for their operation and exploitation, and the areas acquired and expropriated for the implementation of the infrastructures of the EFMA hydro-agricultural facilities.

In November 2013, a new Delivery Agreement was signed between EDIA and the Portuguese State, represented by DGADR, in which the Company delivers the infrastructures making up the irrigation and drainage network of the Aljustrel Hydroagricultural Development, including all the merchandise and equipment necessary for its operation and exploitation.

There being a need to update and regularise the situation of the secondary network management concession for the irrigation blocks built in the meantime, it is the intention of DGADR and EDIA to conclude an Addendum, updating the descriptions of the perimeters included in the initial contract as well as complementing the information with the blocks already built, after 8 April 2013.

The amount of EUR 160,339,441 on 31 December 2021, reflects the total investment made in the secondary network infrastructure, net of the

corresponding investment subsidies that EDIA expects to receive from the State, for the provision of this infrastructure that has been completed, with the amount of EUR 21,776,561 representing the variation occurring in 2021, essentially due to the completion of the construction of the Cuba-Odivelas and Évora blocks.

In the context of this Concession Agreement, no provision was made to cover the costs with the infrastructures, object of the respective Delivery Agreements, relating to the contractual obligation to maintain/preserve them, throughout the concession period.

The non-recording of the provision was based on the assumption that, throughout the concession period (7 years), no major repairs and replacements would occur in the respective infrastructures and equipment, with the current maintenance and conservation of these assets being recognised as expenses, in the years in which they occurred.

With the expiry, in December 2020, of this contract, it was approved by Order of the Minister of Agriculture, information no. 12538 of 24 September 2020, that the term of the concession relating to the management, operation, maintenance and conservation of the infrastructures of the secondary network, the extension for a further 10 years, the maximum limit of the term of the concession of the private use of water resources of the public domain, obtained under the provisions of the Water Act, pending the formalization of the respective addendum to the contract.

Also, in the scope of this new contract, the premise for not making a provision for major repairs was that, for a period of 10 years, it is not expected that major repairs will be carried out on the infrastructure

DGADR – IE 12

EUR

Other Accounts Receivable	Investment	Capitalisations	Grants	Total
DGADR_IE12	114 141 477	12 056 848	(55 403 463)	70 794 862
Total	114 141 477	12 056 848	(55 403 463)	70 794 862

Table 107: DGADR – IE12

Decree-Law No 335/01 of 24 December 2001 established that the works relating to the design, implementation and construction of the infrastructures forming part of the EFMA secondary network are the property of the State, except for Infrastructure 12, which remains the property of EDIA under the concession scheme to MAFDR. Following the formalisation with the Institute of Rural Development and Hydraulics (currently Directorate-General for Agriculture and Rural Development – DGADR), in April 2006, of the contract for the assignment of the management, operation, maintenance and conservation of Infrastructure 12 for a period of 30 years, this investment and the associated subsidies are reflected, since 2006, in “Other Accounts Receivable”, since EDIA awaits reimbursement by DGADR of the net value of the investment made.

On 31 December 2021, there were no changes compared with the same period of the previous year.

Debtors by Accrued Income

The item “Debtors by Accrued Income” shows a significant variation compared with the same period of the previous year, as a result of:

- specialisation of the provision of water distribution services for EUR 3,484,092, compared to EUR 2,753,506 in 2020;
- estimate of the financial revisibility arising from the change in the annual volumes of water withdrawal from the Alqueva and Pedrógão reservoirs, for the year 2021, in accordance with the provisions of the “Contract for the Operation of the Alqueva and Pedrógão Hydroelectric Plants and Subconcession of the Public Waterways Domain” entered into with EDP, in the amount of EUR 2,869,521, compared to EUR 492,910 in 2020; and
- specialisation of electricity production, totalling EUR 19,879, compared to EUR 21,392 in 2020.

17. Deferrals**17.1. Deferrals (Current Assets)**

The “Deferrals” shown under Current Assets, in the amount of EUR 289,777 (expenses to be recognised), refer substantially to insurance premiums, with the Group Health and civil liability

/ operation, construction and assembly branch, paid up to 31 December 2021, corresponding to subsequent periods of validity.

17.2. Deferrals (Current and Non-Current Liabilities)

This item (income to be recognised) is broken down as follows between “Current Liabilities” and “Non-Current Liabilities”:

EUR

Deferrals (Liabilities)	31/Dec/21		31/Dec/20	
	Current	Non-Current	Current	Non-Current
Concession agreement revenues_EDP_IFRS 15	12 645 948	252 918 962	12 645 948	265 564 911
Investment grants	1 878 587	114 351 569	1 878 587	116 218 084
Total	14 524 535	367 270 531	14 524 535	381 782 995

Table 108: Deferrals - Liabilities



17.2.1. Concession Agreement Income

The value of deferred income from the “Concession Contract for the Operation of the Alqueva and Pedrógão Hydroelectric Power Plants” with EDP, shown as of 31 December 2021 under “Non-Current Liabilities” (EUR 252,918,962) and “Current Liabilities” (EUR 12,645,948), stems from the receipt of 195,000,000 on 1st November 2007, in accordance with paragraph a) of clause 6.1 of the “Operation Contract of the Alqueva and Pedrógão hydroelectric power plants and sub-concession of the public hydric domain”, signed with EDP, as well as the amounts to be received annually from EDP (EUR 12,380,000) under this contract for a period of 35 years, starting on 1 November 2007.

Thus, the aforementioned account of income to be recognised shows: (i) the part of the EUR 195,000,000 that has not yet been recognised as income; and (ii) the amounts to be invoiced annually to EDP discounted at a fixed rate of 3.5% and to be recognised as income until the end of the contract.

The amounts received and receivable from the EDP Group under this contract will be recognised as income over the term of the contract (35 years). In 2021, EUR 19,217,863 of income was recognised, of which EUR 12,645,948 refers to services rendered (see Note 13) and EUR 6,571,915 refers to interest (see Note 27).

17.2.2. Investment Subsidies

The value of investment subsidies is recognised under “Non-current Liabilities” and includes all subsidies received for investments, with the exception of those concerning the secondary network already transferred to the “DAGDR_CC_RS” account following the contracts for the delivery of infrastructure already completed, amounting to EUR 523,062,457 (which were deducted from the respective investment that, until the delivery of the infrastructure, was reflected under “Inventories”), those concerning Infrastructure 12 amounting to EUR 55,403,463 (transferred to the “DGADR_IE12” account, following the formalization of a contract for the assignment of the management, operation, maintenance and conservation of this infrastructure, in April 2006, being deducted from the respective investment that, until then, was reflected under “Inventories”) and those associated with the water distribution activity in the amount of EUR 669,152,599 (whose assets have been concluded to be totally impaired, so the corresponding subsidies are derecognised when recording impairment losses on assets).

Thus, the “Investment subsidies” item essentially reflects the subsidies related to the energy segment in the amount of EUR 113,469,194, to be recognised in income in the same proportion as the depreciation of the subsidised assets.

In Current Liabilities, the amount of EUR 1,878,587 corresponds to subsidies to be recognised as income within less than one year.

18. Equity

In the period between 31 December 2020 and 31 December 2021, EDIA's equity presented the following evolution:

Equity	31/Dec/20	Increases	Transfers	31/Dec/21
Paid-up Capital	860 334 960	52 823 790		913 158 750
Other Reserves	9 202 700			9 202 700
Retained earnings	(808 040 794)		(13 855 194)	(821 895 988)
Net Profit for the Period	(13 855 194)	(9 855 509)	13 855 194	(9 855 509)
Total	47 641 672	42 968 281	0	90 609 953

Table 109: Shareholders' Equity

18.1. Paid-up capital

The initial Share Capital of 500,000,000 escudos (EUR 2,493,990), held entirely by the Portuguese State, was successively increased in the period from 1996 to 2009 until it reached EUR 387,267,750 on 31 December 2009. Between 2010 and 2014 the Share Capital remained unchanged.

In the period 2015 to 2018, there were several capital increases, fully subscribed and paid up in cash and by conversion of the claims held relating to the medium and long-term loan, granted by the DGTF.

As of 31 December 2018, the Company's Share Capital, fully subscribed and paid up, has a value of EUR 809,534,880 consisting of 161,906,976 shares with a nominal value of EUR 5 each, subscribed and paid up by the Portuguese State.

As of 31 December 2019, the Company's share capital, fully subscribed and paid up, has a value of EUR 838,810,320 consisting of 167,762,064 shares.

The variation compared to the previous year of EUR 29,275,440 stems from the issue of 5,855,088 new shares with a nominal value of EUR 5 each:

- On 3 September 2019, issue of 3,355,088 new shares with a nominal value of EUR 5 each, in the amount of EUR 16,775,440 subscribed and paid up in cash, to meet the repayment charges on the bond loan and the loan taken out with the EIB; and
- On 11 September 2019, issue of 2,500,000 new shares with a nominal value of EUR 5 each, in the amount of EUR 12,500,000 subscribed and paid up in cash, a situation provided for in the Company's Activity Plan and Budget for 2019, approved by the Unanimous Written Social Resolution of 10 July 2019.

As of 31 December 2020, the Company's share capital, fully subscribed and paid up, has a value of EUR 860,334,960 consisting of 172,066,992 shares. The variation compared to the previous year of EUR 21,524,640 results from the issue of 4,304,928 new shares with a nominal value of EUR 5 each, subscribed and paid in by the Portuguese State:

- On 11 March 2020, issue of 673,928 new shares with a nominal value of EUR 5 each, in the amount of EUR 3,369,640 subscribed and paid up in cash, a situation provided for in the Company's Activity Plan and Budget

for 2020, approved by the Unanimous Social Resolution in writing of 11 March 2020;

- On 7 August 2020, issue of 866,000 new shares with a nominal value of EUR 5 each, in the amount of EUR 4,330,000 subscribed and paid up in cash, a situation provided for in the Company's Activity Plan and Budget for 2020, approved by the Unanimous Social Resolution in writing of 7 August 2020; and
- On 6 October 2020, issue of 2,765,000 new shares with a nominal value of EUR 5 each, in the amount of EUR 13,825,000 subscribed and paid up in cash, a situation provided for in the Company's Activity Plan and Budget for 2020, approved by the Unanimous Social Resolution in writing of 6 October 2020.

On 31 December 2021, the Company's share capital, fully subscribed and paid up, has a value of EUR 913,158,750 made up of 182,631,750 shares. The variation compared to the previous year of EUR 52,823,790 results from the issue of 10,564,758 new shares with a nominal value of EUR 5 each, subscribed and paid in by the Portuguese State:

- On 4 March 2021, issue of 8,128,941 new shares with a nominal value of EUR 5 each, amounting to EUR 40,644,705 subscribed and paid up in cash;
- On 8 June 2021, issue of 900.000 new shares with a nominal value of EUR 5 each, in the amount of EUR 4,500,000 subscribed and paid up in cash; and
- On 9 August 2021, issue of 1,535,817 new shares with a nominal value of EUR 5 each, amounting to EUR 7,679,085 subscribed and paid up in cash.

The Shareholder, through the capital endowments, intended to cover the financing needs inherent in the repayment of loans and the investment made under the PNRegadios.

18.2. Other Reserves

Other Reserves" include: (i) EUR 8,479,554 of subsidies received in 1995, within the scope of the transfer to EDIA of sums included in the State Budget for the former Alqueva Installation Committee; (ii) EUR 592,267 relating to the transfer to the Company of the fixed assets of the said Committee; (iii) EUR 120,904 of subsidies allocated to surplus areas (which are not amortisable investments); and (iv) EUR 9,975 relating to the donation of a painting for the building of EDIA's new headquarters.

These reserves have not been imposed by law or the articles of association, nor have they been constituted in accordance with contracts entered into by the Company

18.3. Retained Earnings

The balance of "Retained Earnings", on 31 December 2021, amounts to negative EUR 821,895,988 and is essentially related to the recognition of impairment losses on "Intangible Assets" of the "water" segment, in the accumulated amount (net of the respective subsidies that have been derecognised) of EUR 899,157,094.

The variation in "Retained Earnings" is due to the appropriation of the negative net result for 2020, amounting to EUR 13,855,194.

On 31 December 2021, the equity value is positive by EUR 90,609,953 (positive equity of EUR 47,641,672 on 31 December 2020), nevertheless, the Company remains in the situation provided

for in Article 35 of the Companies Code, despite all the guarantees that the Shareholder has always provided to the funding obtained and the successive capital increases.

At the date of this report, the 2021 Annual Report and Accounts have not yet been approved by the State shareholder.

19. Impairment of Intangible Assets

19.1 Impairment of Depreciable/Amortisable Investments

Following the transfer to EDP, for a period of 35 years of the operation of the Alqueva and Pedrógão hydroelectric plants and the rights of private use of the respective public waterways domain, most of the operating revenue associated with the hydroelectric component of EFMA until 2042 had already been defined since October 2007. However, at the date of closure of the accounts for 2009 and previous years, the tariff for supply of water from the primary system of the Development had not yet been defined by the Ministry, which would have a decisive influence on the operating revenue expected from the Company and would allow to assess to what extent the total operating revenue expected from the use of public waterways domain allocated to EFMA (those associated with the supply of water for irrigation and human supply, and those resulting from hydroelectric operation) would allow the recovery of the overall investment planned under EFMA.

However, it would already be possible, on the closing date of the accounts, both for 2009 and prior years, to predict that the investments made in EFMA would have a reduced profitability and that there would consequently be impairment losses to

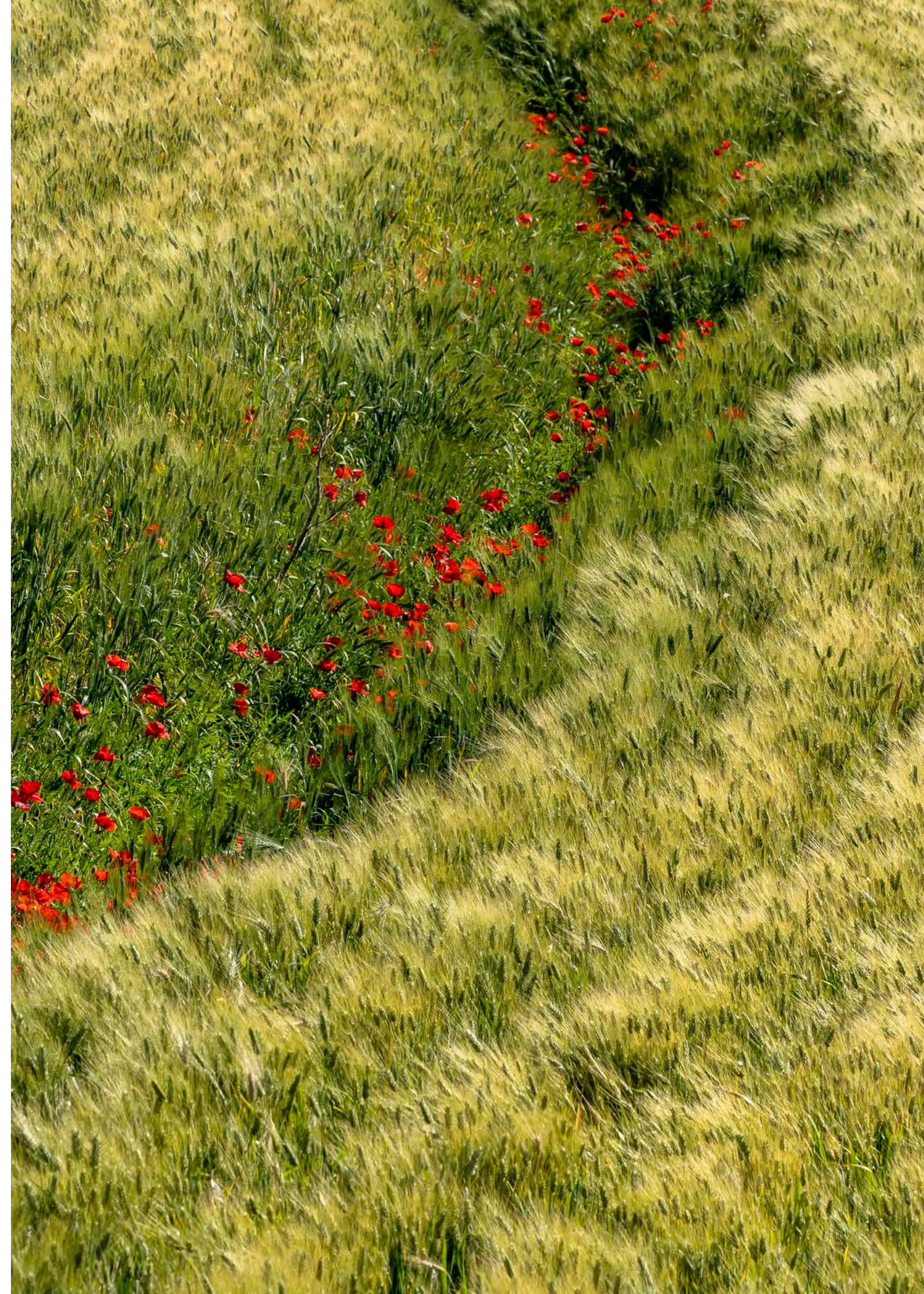
be recorded.

However, it is important to bear in mind that EFMA was conceived as a regional development instrument for a depressed inland area of the country, with a special focus on converting the agricultural sector from rainfed to irrigated land.

EFMA represents a project to harness the water resources associated with the Guadiana River and which guarantees a strategic water reserve, contributing to reversing the trend towards population and economic decline in a vast region of the Alentejo, and is therefore of enormous national interest, with the consequent benefits of its implementation, in terms of improving the quality of life of the population of the Alentejo region, as well as economic, social, and environmental promotion.

This investment has always been intended to overcome the enormous shortages in the region related to the availability of water for human, agricultural and industrial supply. In this sense, and also considering the positive externalities generated for the national economy, the financial return on EFMA's assets has never been at stake, exclusively resulting from revenues generated by EDIA's activity. The fundamental assumption was to ensure that future economic benefits had the capacity to cover the operating costs of activities (without considering the amortization of investments), expectably generating positive operating results.

Since its inception, the Portuguese State assumed the multi-purpose nature of this Development, whose implementation would result from the full and efficient use of the enormous "strategic water reserve" to be stored in the Alqueva and Pedrógão reservoirs. As sole owner of EDIA's capital, the Portuguese State has always assumed, as a



consequence, the need to ensure the appropriation of funds necessary for the pursuit of its object, creating the conditions for the Company to honour the commitments made during the implementation of the project.

The revenue from the service provided by EDIA related to water distribution is calculated according to the tariff set by the State, which in turn, in its calculation, considers a set of assumptions that go beyond the economic interest of the investments made.

Since there are indications (from previous years) that the assets of the “water” segment would be impaired, but it is not possible to calculate the recoverable amount of individual assets allocated to this segment, given the strong interconnection of the cash inflows of various assets or groups of assets of the segment, EDIA determined the recoverable amount of the cash-generating unit (“smallest identifiable group of assets that generates cash inflows and is largely independent of the cash inflows of other assets or groups of assets”) that corresponds to the entire “water” segment.

Following the definition, in 2010, of the tariff for supply of water from the primary system, EDIA has been estimating the recoverable amount of the assets in the “water” segment by determining the respective value in use, having always concluded, in the impairment tests performed since 2009 until 2021 inclusive, that the present value of future cash flows associated with this segment is negative, so the accumulated impairment loss corresponds to the total value of the assets (net of inseparable liabilities – subsidies) allocated to this segment.

Therefore, the intangible assets allocated to this segment are fully offset by accumulated impairment losses of the same amount.

For this purpose, cash flows up to the year 2082 were considered, the year in which the concession contract to EDIA, which covers the management, operation and private use of the public waterways domain allocated to EFMA, under the provisions of Decree Law 313/2007, expires.

With the entry into force of Order no. 3025/2017, of 11 April and the consequent change in the applied tariff, impairment studies were carried out in the year 2017, using new assumptions, which were maintained until the year 2021.

A discount rate of 2.5% based on the Weighted Average Cost of Capital (WACC) was used to discount the future cash flows to reflect: (i) the time value of money for periods up to 2082; (ii) expectations about possible variations in the amount or timing of cash flows; (iii) the price of bearing the uncertainty inherent in the asset; and (iv) other factors that market participants would reflect in pricing the future cash flows that the Company expects to derive from the assets.

Bearing in mind that all future projections were prepared based on assumptions considered reasonable and bearable, taking into account the present and future market and that the decisions taken in the last projections/studies were approved by EDIA’s management, the main assumptions adopted are the following:

- Benefited area – 162,145 ha;
- Water resource uptake rate increasing over 8 years;
- Average water consumption of 4,000 m³ /ha, in 80% of the covered area;
- Weighted average allocation to be extracted from the Dam 4,953.56 m³ /ha; and

- Reference unit price for the supply of water intended for agricultural, industrial, and public supply purposes (as per Order No. 3025/2017 of 11 April).

The assets and liabilities of the “water” segment, as well as the recognised impairment losses, with reference to 31 December 2021 and 31 December 2020, can be presented as follows:

“Water” segment	EUR	
	31/Dec/21	31/Dec/20
Intangible assets – gross	1 568 309 693	1 549 982 749
	(669 152 599)	(668 667 383)
Assets net of grants = Accumulated impairment losses	899 157 094	881 315 366
Impairment losses (reversals) recognised in the period	17 841 728	16 879 178

Table 110: Water Segment

An impairment loss of EUR 17,841,728 was recorded on 31 December 2021, due to the investment made in the primary network of the 2nd phase of EFMA being financed through capital increases, contrary to what was initially planned which would be via PNRégadios. With this change in the source of funding, there are no subsidies, and the impairment is recognised in the total value of the investment.

19.2. Impairment of Accounts Receivable (Losses/ Reversals)

The impairment losses recognised, at the date of this report and in previous periods, essentially correspond to overdue loans for water distribution services provided by EDIA, when customers do not respect the contracted payment period and the period of overdue payment is already significant.

20. Provisions

EDIA periodically analyses possible obligations arising from past events that must be recognised or disclosed.

Provisions are recognised only when the Company has a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The subjectivity inherent to the determination of the probability and amount of the outflow of resources necessary to settle the obligations may lead to significant adjustments, either by variation of that assumption or by the future recognition of provisions previously disclosed as contingent liabilities.

EDIA considered, based on the judgment of the Board of Directors and on the in-depth analysis of each of the processes by the internal legal office and external lawyers, that the conditions for the recognition of provisions, referred to in IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, were met.

In particular with regard to the condition that “it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation”, the criterion defined in the referred IAS 37 – Provisions, Contingent Liabilities and Contingent Assets was used, considering as probable the outflow “if the event is more likely than not to occur, i.e. if the probability that the event will occur is greater than the probability that it will not occur”.

This estimate is based on a thorough technical analysis of the Legal Office that issues, for this

purpose, a document in which it determines the best estimate of the amounts to be provisioned, based on the history and experience of EDIA, regarding the outcome of similar cases and also based on information provided by external lawyers who collaborate with the Company.

In the periods ended 31 December 2021 and 31 December 2020, to face legal proceedings and other present obligations arising from past events, EDIA has set up provisions.

EUR

Provisions (DPF)	Opening Balance	Increases	31/Dec/21		Closing Balance
			Reductions Usages	Reversions	
Provisions					
Provision for Legal Proceedings Ongoing and Litigious Expropriations	2 333 648	1 012 489			3 346 137
Provision IFRIC 12	31 889 162	2 750 550	214 873		34 424 839
Total	34 222 810	3 763 039	214 873	0	37 770 976

Table 111: DFF- 2021

Note: The difference between the values under the item "Provisions" in DPF and DRI results mainly from the ongoing legal proceedings with the companies Tecnasol-FGE and Mota Engil, in the amount of EUR 1,145,757, considered as investment in progress. Consequently, the allocation of the result of the period occurred through the item "Impairment of Depreciable Investments".

EUR

Provisions (DPF)	Opening Balance	Increases	31/Dec/20		Closing Balance
			Reductions Usages	Reversions	
Provisions					
Provision for Legal Proceedings Ongoing and Litigious Expropriations	633 643	1 700 005			2 333 648
Provision IFRIC 12	26 242 706	5 646 456			31 889 162
Total	26 876 349	7 346 461	0	0	34 222 810

Table 112: DFF- 2020

Note: The difference between the values under the item "Provisions" in DPF and DRI from the ongoing legal proceedings with the companies Tecnasol-FGE and Mota Engil, in the amount of EUR 1,582,686, considered as investment in progress. Consequently, the allocation of the result of the period occurred through the item "Impairment of Depreciable Investments".

20.1. Provisions for Legal Proceedings in Progress and Litigious Expropriations

On 31 December 2021 several litigation cases are known, resulting from ongoing legal proceedings associated with the EFMA investment, which may result in additional charges and liabilities for EDIA, and the Company has made provisions to cover these liabilities, based on its best estimate of the amount of future charges to be incurred.

On 31 December 2021, the amount of EUR 3,346,137 under the heading "Provisions for Legal Proceedings in Progress and Litigious Expropriations", corresponds only to legal proceedings, namely the following:

EUR

Judicial Processes	31/Dec/21	31/Dec/20
Tecnasol-FGE	2 728 443	1 582 686
Monte Adriano, S.A.	420 309	420 309
Sociedade Agro-Pecuária do Gavião e Anexas, SA	117 319	117 319
Labour lawsuit	59 809	-
Municipalities of Reguengos de Monsaraz, Mourão, Portel, Moura and Alandroal	-	190 000
Other	20 257	20 257
	3 346 137	2 330 571
Litigious Expropriation Processes		
H. São Sebastião	-	2 645
Other	-	432
	-	3 077
Total	3 346 137	2 333 648

Table 113: Provisions

carrying out the work, as it encountered geological characteristics that were more adverse than expected, which lowered productivity and increased execution costs.

EDIA, until 2013, had a provision made (EUR 726,343) corresponding to 50% of the amounts claimed, a value that corresponded to the best estimate of the expenditure to be made. Following a preliminary hearing on 17 January 2013, the Court did not accept the Lawsuit, giving reason to EDIA's thesis. The Plaintiff appealed to the South Administrative Central Court (TCA Sul), and EDIA filed counterclaims and filed a cross-appeal in relation to another exception it had invoked, which the Court dismissed.

However, EDIA was convinced that the appeal filed by the Plaintiff would not succeed, but that the appeal filed by it would. Defending EDIA that the probability of success would be greater than 50% and that the expected value of the liability was null, it derecognised in its accounts, in 2013, the respective provision. Meanwhile Tecnasol-FGE appealed and the Southern Court of Appeal, in a judgment of 2 July 2020, against the understanding of the TAF of Beja, considered that the issue of legitimacy (which was at the basis of the preliminary decision in favour of EDIA and was the reason for the appeal filed by Tecnasol-FGE) is resolved with the intervention of Mota Engil, since we are dealing with a Consortium and the action should have been brought by the Consortium and not only by Tecnasol-FGE, as happened in the first petition presented.

With regard to the lawsuit filed by **Tecnasol-FGE/ Mota Engil** against EDIA relating to the Contract for the treatment of foundations and implementation of the Pedrógão exploitation observation plan, this is a Common Administrative Lawsuit, in which the Plaintiff claims to have incurred extra costs in

Consequently, the case was remanded for further proceedings with the summoning of Mota-Engil to the case to overcome its lack of standing. EDIA decided to lodge an Exceptional Review at the Supreme Administrative Court. By ruling of 20 November 2020, the Supreme Court decided to

admit the Review, which means that it will hear the appeal. Tecnasol-FGE did not appeal. After hearing the Public Prosecutor's Office, it declared it unfounded, but with arguments that were refuted by EDIA. By decision of 29 April 2021, the Supreme Administrative Court, after having admitted the Review, considered the appeal filed by EDIA to be unfounded and ordered that the process be sent back to the Court of First Instance.

The Judge of the first instance notified Tecnasol-FGE to present a new Initial Petition, which it did on 9 July 2021. On 12 July 2021, an order was issued to summon Mota Engil, in the following terms: "I admit the main intervention provoked. Quote". On 13 July 2021, Mota Engil was made aware that its intervention as a main party was requested and admitted. This means that this process returned to the initial position, frustrating the expectations of resolving the issue without going through the substantive route. On 6 October, Mota Engil presented its Initial Petition in which it essentially accepts the facts invoked by Tecnasol-FGE. EDIA presented its defence, invoked the exception of expiry of the right and contested reiterating the contestation presented against Tecnasol-FGE and some facts invoked by Mota Engil. Mota Engil filed a Reply, and the process is now concluded with a date of 14 January 2022.

On the date of this report, it is EDIA's understanding that the amount of the liability may reach the value of the share, EUR 2,508,443, plus interest, plus about EUR 220,000, for which it increased the respective amount of the provision set up until then.

In 2012, an administrative lawsuit was filed by the construction company **Monte Adriano S.A.**, under the Contract for the construction of the 3rd section of the Pisão-Roxo (Penedrão-Roxo) pipeline and the Penedrão dam. The contractor claims payment

for work amounting to EUR 370,309, alleging that this amount was not paid due to EDIA's incorrect interpretation of the scope of work of a certain item of the bill of quantities.

EDIA contested and provisioned 50% (EUR 185,155) of the amount requested by the contractor, which is considered to be the best estimate of the expenditure to be made. In June 2017 a reinforcement of provision was made, in the amount of EUR 235,154, since the maximum amount of liability could amount to the value of the action (EUR 370,309) plus interest, court fees, costs and fees (EUR 50,000).

A preliminary hearing was scheduled for 22 October 2018, an event that had been pending since 13 March 2015, but EDIA raised three exceptions and contested the action. The Court by decision of 05 June 2019 upheld one of the exceptions invoked by EDIA, but the Plaintiff nonconformist appealed to the Tribunal Central Administrativo Sul (South Administrative Central Court) (TCA). EDIA filed counterclaims, with extension of the appeal. After this, the appeal went to the South Administrative Central Court, where it is awaiting judgment, with conclusion for trial on 27/07/2020. The judgment is likely to be issued within 2 to 3 years.

Assuming that the lawsuit is settled without a trial of the matter of fact in the first instance, the Company has provisioned the value of the lawsuit of EUR 370,309 plus interest in the amount of EUR 50,000, this amount being recorded in the accounts as of 31 December 2021.

Common administrative action brought by **Sociedade Agropecuária Herdade do Gavião e Anexas, S.A.** in which the Plaintiff claims reimbursement of the sums it paid for the service of making water available for irrigation, alleging that this charge is the responsibility of third parties.



EDIA contested the request arguing that the responsibility of the owner is joint and several and that, in any case, it is not possible to ensure the service in properties with outstanding debts.

Also, without further developments after the pleadings phase and with a constituted provision, and also because this is essentially a matter of law still without jurisprudential treatment, it is not possible to advance with any forecast on the outcome of the lawsuit, admitting that the probabilities of winning or decay are the same. In effect, the question of the joint liability of the owner will not raise many doubts, but the question of the need for the situation regarding the payment of the fees to be regularised in order to ensure the service, already merits further analysis.

The foreseeable date of conclusion of the legal lawsuit will be 31 December 2022, the value of the claim in question being EUR 117,319, this amount having been provisioned as of 31 December 2021.

Labour lawsuit brought by **a former employee of the Company**, in which this former employee asks the Judicial Court of the District of Beja – Labour Court, to declare her dismissal unlawful due to lack of disciplinary procedure and condemn EDIA to pay wages accrued since the date of dismissal until the date of res judicata and a seniority allowance equivalent to one month of wages for each year of seniority or fraction thereof until the date of res judicata of the decision. The Plaintiff assigned the amount of EUR 59,809 to the lawsuit. The hearing was initially scheduled for 8th March 2022. However, it did not take place and no date has been set yet. Under the terms in which the lawsuit is configured, it is admitted as possible that EDIA will be acquitted of the claim.

The maximum liability, in the Company's opinion, could amount to the value of the share, the amount

for which the provision was set up on 31 December 2021.

In 2012, **five municipalities** in the Alqueva irrigation area (**Reguengos de Monsaraz, Mourão, Portel, Moura and Alandroal**) filed a lawsuit concerning the payment of rents allegedly owed by EDIA to those municipalities, under the provisions of Decree-Law No 424/83 of 6 December, which obliges EDP, as the holder of electricity generating centres, to pay certain annual sums to the affected municipalities. No exact request is formulated due to alleged lack of elements to apply the formula to calculate the value of rents legally provided.

EDIA contested, but its infrastructure and energy department estimated the value of the rents at around EUR 190,000. EDIA was acquitted of the case because the Judicial Court of Beja considered itself incompetent. The case was referred to the competent court, i.e. the Administrative and Fiscal Court of Beja. As the process is at a standstill, only in the pleadings phase, and there are no indicators or new facts that determine the change in the provision made, it is not possible to safely make a judgment of probability on the outcome of the lawsuit, although the defence arguments presented by EDIA seem consistent. In the event of a decision, EDIA's financial responsibilities will approach the amount of EUR 190,000, the amount for which the provision for this process was set up. As it is a matter of law and still without jurisprudential treatment, it is not possible to advance any forecast on the outcome of the lawsuit, assuming that the probability of winning or decay are the same.

The Court questioned, in the meantime, the parties about the possibility of the lawsuit being decided in the final order, to which EDIA did not object. On 31 December 2021, the sentence had already become res judicata, which means that the Municipalities

did not appeal. The Administrative and Fiscal Court of Beja judged the lawsuit totally unfounded and consequently acquitted the Defendant of the claim.

In view of the above, on 31 December this provision was reversed.

It should also be pointed out that the fact that the amount provisioned for some ongoing lawsuits was quantified at 50% of the amounts claimed by the plaintiffs arises from the process of measuring the provision, i.e., it was considered that 50% of the amount claimed would be the best estimate of the expenditure required to settle the obligation at the end of the reporting period, under the terms of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

It should also be noted that when EDIA is convinced that an appeal lodged by the other party will not win, and that there is a high probability of success, greater than 50%, the Company derecognises the provision set aside for this purpose in its accounts.

The establishment, reinforcement, or reversal of provisions within the scope of contentious expropriation proceedings conducted by EDIA, follows a set of assumptions that, depending on the stage of development of the process and the amounts provisionally established in each one of them (proposal by EDIA, arbitration, expert opinion, ruling and any appeals), will determine the variation of the value of each provision made. With regard to expropriation processes, in addition to involving, as a rule, low amounts, most of them are in court for reasons that are not related to the existence of litigation (ignorance of the owners, litigation between heirs, among others).

In 2021, with regard to these contentious expropriation processes, there was a reversal of the provisioned amount of EUR 3,077, resulting from the

decision of the Arbitration Commission.

20.2. IFRIC 12 Provision

Infrastructures relating to the uses of the public waterways domain allocated to EFMA, object of the respective concession contract concluded between EDIA and the State and forming part of the primary system (dams, hydroelectric plants, and primary network) of the Development, for the duration of the concession, are the property of the concessionaire.

The provision recorded under IFRIC 12, results from the obligation, established in the concession contract signed with the State in October 2007, to maintain/preserve, during the concession period, the infrastructures related to the energy production and water distribution activities, which revert to the State at the end of the concession period. This provision covers only those major repairs and replacements that are expected to be made during the concession period, thus not including the current maintenance and conservation of these assets, which are recognized as expenses in the period in which they occur.

This provision has been recognised and measured, as of 31 December 2019 (EUR 26,242,706), based on the following assumptions:

- Total value of on-farm investments, including equipment and construction, without taking into account the value of submerged and surplus land;
- Application of an estimated rate of 0.2% to investments in the water distribution activity, to ascertain the average cost of major annual repairs;

- No major repair costs are considered for the energy generation activity concerning the Alqueva and Pedrógão Hydroelectric Plants, since under the sub-concession contract signed with EDP, these costs are its responsibility;
- Estimated timeframe to cope with major repairs, in equipment and civil construction, of 20 and 30 years respectively;
- Average funding rate for the period 2013-2082; and
- The Euribor forecast is based on Bloomberg spot rates.

In 2018, for the purposes of updating the initial estimate of the provision for major repairs and replacements, with a detailed plan of interventions in the various infrastructures, object of the concession contract, based on a set of assumptions and estimates of a financial, operational and technical nature, EDIA, given the complexity of this matter and considering the National Laboratory for Civil Engineering (LNEC) as a credible entity, with special competences entrusted to it by the Dam Safety Regulations, in which it has a variety of skills that enable it to have exclusive knowledge of the type of infrastructures under analysis, such as concrete dams and embankments, canals, pumping stations, drainage networks, it decided that LNEC would be the company with the best technical capability to present a valuation study of the infrastructures of the Alqueva Development.

To corroborate its internal analysis on the valuation of that responsibility and due to the need to obtain information in a timely manner, it was decided to move forward, testing the application and methodology proposed in the study, to the pilot project – Pedrógão subsystem.

At the end of 2018, the conclusions of the pilot project study were presented, and it was decided to replicate the work done for the remaining EFMA subsystems (Alqueva and Ardila). In compliance with this guideline, during 2019, steps were taken with this objective, with LNEC having been contracted again, but due to its inability to carry out one of the components of the previous study, a company specialising in asset classification (Duff and Phelps) was contracted.

On 31 December 2019, the studies for the Alqueva and Ardila subsystems were completed, however, the adherence of these results to the Company's assets was still subject to a more rigorous analysis for duly consolidated decision-making. There was a lot of work downstream, of analysis of the various components of the infrastructures determined in this study, taking into account not only the detail by contract and respective assets, but also their valuation, useful life and respective amortisations, which meant that the results of the study were not yet applicable in financial year 2019.

As mentioned above, the infrastructures included in the calculation of the provision for major repairs and replacements of the Alqueva Development, in addition to the Alqueva and Pedrógão dams, also include the primary network of the three EFMA subsystems: Alqueva, Ardila and Pedrógão.

In 2020, the completion of the study on the forecast of the need for investment in major repairs, replacements, and rehabilitation of infrastructure, planned to be made over the remaining period of the concession (2020-2082), allowed EDIA to quantify the amount to be provisioned under IFRIC 12, based on the following steps/assumptions:

Stages

- Identification of the components of the

investment made up to 31 December 2019 and their classification according to the respective final accounts of the contracts;

- Identification, by contract work, of the components with an investment value of more than EUR 350,000, where approximately 20% of the components represent more than 80% of the total investment made;
- Updating of the identified investment components, for the year 2019 (EUR 409,839,505); and
- Use of a tool/application, made available by LNEC, with the values of each of the components, in order to obtain the amounts of investment in major repairs, replacements and annual rehabilitation expected to be made in the period from 2020 to 2082.

Assumptions

For the purposes of estimating the provision to be recorded under IFRIC 12, the following assumptions were considered:

- Inclusion of investment components carried out with an individual value in excess of EUR 350,000 for the following reasons:
 1. The annualised values of the components with a total value of less than EUR 350,000 represent percentages and reduced values, and it is more appropriate to consider the respective maintenance costs as current expenditure; and
 2. In order to reduce the possibility of failures in the monitoring of the model, with the adoption of this interval, the

number of components to be subject to in-depth monitoring was reduced from around 1,000 to 200;

- Replacement of components at the end of their useful life, whenever this is less than the end of the concession period;
- The IVI (Infrastructure Value Index), which represents the degree of ageing of the infrastructure, shall always be greater than 0.4. According to LNEC's report no. 68/2019, where in the identification of metrics, it is indicated that the IVI is considered GOOD between 0.4 and 0.6, i.e., values below 0.4 mean that the infrastructure is aged and in need of conservation and rehabilitation investments;
- For each classified component with a value greater than EUR 350,000, the value of the annual provisions to be set up for the next repair/replacement was calculated for 2021, updating the respective rates:
 1. Inflation rate of 1.30%; and
 2. Discount rate of 1.51%, which corresponds to EDIA's average funding rate;

Conclusions:

After applying the new model, the following results were obtained:

- The total forecast of investments to be incurred for repair and replacement for the period 2020-2082, in the investment value components of more than EUR 350,000 and at 2019 prices, amounts to EUR 692,516,482;

- The valuation of the investments to be incurred with repair and replacement, regarding the next intervention, whose average execution was estimated in 5 years, totals EUR 63,509,684;
- Based on the estimated dates, by component, for the next intervention and the respective update of the inflation and discount rates, EDIA's liabilities on 31 December 2020 and 31 December 2021 amount to EUR 31,889,162 and EUR 34,639,712, respectively; and
- It should also be noted that the adoption of this new valuation model and respective update of the rates (inflation and discount), compared to the values recorded on 31 December 2020, led to an adjustment of the provision, which was treated in accounting terms as a change in estimate and, as such, with an impact on the result for the reporting period. Thus, in 2021, the total reinforcement of the provision amounts to EUR 2,750,550.

The non-recording of a provision for the secondary network, whether under the previous concession contract (7 years) or the one now in force (10 years), was based on the assumption that, throughout the concession period, no major repairs and replacements would occur in the respective infrastructures and equipment, the current maintenance and conservation of these assets being recognised as expenses, in the years in which they occurred.

In accordance with IFRIC 12, a provision should be created in the accounts for repairs and replacement of the assets under concession, where the taxpayer has a legal and contractual obligation to incur such expenditure through the execution of programmed intervention plans at the level of the

infrastructures under concession, in order to show in its financial statements the future cost arising from this obligation.

In the case of EDIA, this provision is made only for the assets of the EFMA Primary Network.

In 2021, only one intervention was made in the electrical installation component of the Álamos Pumping Station, corresponding to a replacement, for the technological updating of the static frequency converter. This infrastructure has an expected useful life of between 10 and 20 years, and the amount for which the provision for major repairs was used was EUR 214,873.

Under the procedures for monitoring the information that serves as a basis for the study and the calculation of the provision, EDIA prepared a monitoring report, which included the possible analyses to be carried out so far, with the identification of the deviations already verified. Although the value of the provision used is lower than the value provided for in the study, as the time elapsed since the calculation of the provision is still considered short, and because there is still no duly consolidated historical reference, it was concluded that the assumptions of the study and, consequently, the value of the provision made, are appropriate.

EDIA will continue the procedure of periodic monitoring of the study, consolidating the history of the information based on the results obtained, which will allow a better accuracy as to the adherence of the model to reality, and the study may be revised when it is found that there are situations that require adjustment to the model adopted, and with the respective reflection on the amount of the provision presented.

21. Funding Obtained

The financing of the investments made in the various EFMA infrastructures has involved, to date, the contracting of several bond loans, an EIB loan and loans granted by the State.

On 31 December 2021 and 31 December 2020, the funding obtained is broken down as follows:

Financing Obtained	31/Dec/21		TOTAL	31/Dec/20		TOTAL
	Current	Non-Current		Current	Non-Current	
Bond loans	6 739 286	109 942 245	116 681 530	6 739 286	116 666 964	123 406 250
DGTF Loan	126 139 523	7 000 000	133 139 523	126 139 523	-	126 139 523
European Investment Bank (EIB)	-	-	-	26 376 812	-	26 376 812
Financial Leases_IFRS 16	77 819	463 380	541 199	-	-	-
Total	132 956 628	117 405 625	250 362 253	159 255 621	116 666 964	275 922 585

Table 114: Funding Obtained



BEI – EUR 135,000,000

The EIB financing of EUR 135,000,000, contracted in 1999, for a period of 20 years with a grace period of 7 years, which could not exceed 3-month Euribor rate plus 0.15%, ended in March 2021, with the repayment of the amount of EUR 26,376,812 relating to tranches C and D.

S.A. – Portuguese branch (Dexia)

- Interest Rate: Euribor 6 months + Spread 2,65%.
- Repayments until 31-12-2021: EUR 33,696,429

Bond Loan – EUR 56,180,000

- Contract start date: 2007
- Term: 20 years
- Reimbursement: total at the end of the contract (2027)
- This bond loan was contracted with Millennium BCP and BPI
- The coupons are half-yearly, and their repayment is bullet
- Interest Rate: Euribor 3 months + Spread 0.005%.

All bond loans were made with the unconditional and irrevocable guarantee of the Portuguese Republic.

In relation to these loans, the Shareholder, through capital injections covered the financing needs with regard to repayments.

DGTF loan – EUR 189,209,285

1st instalment

- Amount: EUR 10,100,000
- Interest rate: 1.62%.

Bond Loan – EUR 94,350,000

- Contract start date: 2010
- Term: 20 years
- Repayment: from February 2017 onwards, inclusive, 28 equal and successive half-yearly instalments
- This bond loan was taken out with the Banking Syndicate made up of Banco Infraestrutture Innovazione e Sviluppo, SpA (BIIS); Banco BPI, S.A. (BPI); Banco Santander Totta, S.A. (Santander); Caixa – Banco de Investimento, S.A. (CaixaBI); Dexia Sabadell,

- Start: 28 November 2014
- Repayment: twelve equal and successive semi-annual instalments of capital, beginning on 31 May 2016 and ending on 30 November 2021
- Repayments until 31-12-2021: EUR 3,366,667
- Amount Outstanding: EUR 6,733,333

2nd instalment

- Amount: EUR 179,109,285
- Interest rate: 1.66%.

- Start: 27 November 2014
- Repayment: twelve equal and successive semi-annual instalments of capital, beginning on 31 May 2016 and ending on 30 November 2021
- Repayments until 31-12-2021: EUR 59,703,095

On 28 September 2021, EDIA received a letter from the DGTF, to defer the payment of the debt service, due on 31 May 2021, to 30 November 2021, without additional costs, i.e. without charging interest.

At the date of this report, amortisation, and interest for the years 2018, 2019, 2020 and 2021 are outstanding.

DGTF loan – EUR 7,000,000

- Amount: EUR 7,000,000
- Interest rate: 0.25%.
- Interest is payable semi-annually in arrears on 31 May and 30 November of each year, starting on 31 May 2022
- Start: 3 November 2021
- Repayment: twelve equal and successive semi-annual instalments of capital, beginning on 31 May 2023 and ending on 30 November 2028
- Amount Outstanding: EUR 7,000,000

In November 2014 and following EDIA's entry into the consolidation perimeter of public accounts, the State (DGTF) granted EDIA a medium and long-term loan totalling EUR 189,209,285, to settle the short-term loans in the various banks (EUR 184,209,285) plus EUR 5,000,000 which are intended to meet the financing needs, relating to the servicing of the Company's debt.

For the loan uses, interest is due at the nominal annual fixed rate, equivalent to the Republic's borrowing cost, fixed at the date of each disbursement, according to the quotation to be obtained from the Treasury and Public Debt Management Agency (IGCP). The interest is due half-yearly and in arrears.

On 28 December 2018, 8 July 2019 and 30 January 2020, EDIA received the letters from DGTF to defer the payment of the debt service, without additional costs, from 30 November 2018 to 31 May 2019, from 31 May 2019 to 30 November 2019 and from 30 November 2019 to 31 May 2020, respectively.

Subsequently, by Orders no. 381/2020-SET and 962/2020-SET of the Secretary of State for the Treasury, the deferrals of debt service payments were approved, without additional costs, from 31 May 2020 to 30 November 2020 and from 30 November 2020 to 31 May 2021, respectively.

Considering that the Company's cash needs, for the third four months of 2021, would reach the amount of up to EUR 7,000,000, the Portuguese State, EDIA's sole shareholder, granted, on 3 November 2021, a medium and long-term loan of this amount, at an annual nominal fixed rate, equivalent to the Republic's cost of funding.

The breakdown of debts in the Statement of Financial Position as of 31 December 2021 and 31 December 2020 falling due over 5 years amounts to EUR 85,470,476 and EUR 89,876,428 respectively.

	31/Dec/21	31/Dec/20
Non-Convertible Bond Loans		
2007 Bond Loan (€56.18 million)	56 180 000	56 180 000
2010 Bond Loan (€94.35 million)	26 957 143	33 696 428
2021 DGTF Loan (€7.00 million)	2 333 333	-
Total	85 470 476	89 876 428

Table 115: Non-standard bond loans

In 2021, the expenses were capitalised at an average rate of 0.364% for a value of EUR 7,777 (in 2020 the average rate was 0.237% and the value was EUR 6,569).

The item “Funding Obtained” also contains a leases account. Under the application of IFRS 16-Leases, EDIA recorded leases as lessee. These leases are recognised, measured, and presented in the Statement of Financial Position, there is no longer the accounting of lease charges as expenses, on a straight-line basis, over the period of the contract (previously provided for operating leases). On the start date of the lease, the Company recognises the liability for future lease payments and the asset representing the right to use the assets during the lease period. EDIA, in this context, only presents as assets, under right of use, the vehicles, whose contract period is 48 months.

22. Suppliers and Other Accounts Payable

Suppliers and Other Payable	31/Dec/21		31/Dec/20	
	Current	Non-Current	Current	Non-Current
Suppliers				
Suppliers C/C	2 416 261	-	5 283 169	-
Total	2 416 261	-	5 283 169	-
Other Payable				
Creditors by Accrued Expenses	9 678 964	-	9 337 613	-
Investment Suppliers	3 366 815	-	10 610 709	-
Community Funds-Advances	1 277 867	-	1 435 663	-
Other Creditors	9 835	-	26 405	-
Total	14 333 480	-	21 410 390	-

Table 116: Suppliers and other payables

22.1. Suppliers current account

The balances of suppliers associated with investments in the secondary network, shown under the item “Inventories”, are recorded under the item “Suppliers – current account”, instead of “Investment Providers”, since they do not result from investments in tangible or intangible fixed assets, but from construction work shown under the item “External Supplies and Services”. The decrease in the balance of this account results from the treasury policy adopted, i.e. to settle the current accounts of suppliers, under the investment made in the infrastructure of the bordering areas associated with the 2nd phase of EFMA.

The balance of this account reflects, for the most part, the amount outstanding with suppliers, such as Tecnovia S.A; DST S.A; DTE S.A; Mota Engil S.A and Endesa Energia S.A, within the scope of these contracts, as well as the energy consumed for the operation of the respective infrastructures.

22.2. Creditors for Accrued Expenses

The account “Creditors for Accrued Expenses” reflects the accrued value of expenses with: (i) interest on funding obtained from the medium and long-term loan, granted by the DGTF, in the

total amount of EUR 4,787,066; (ii) investments in construction contracts, respective inspections, other provision of services and electricity services, invoiced in January 2022 whose measurement and consumption reports, respectively, refer to the previous month, in the amount of EUR 2,500,475; (iii) holidays and holiday allowances amounting to EUR 867,186; (iv) the TRH component, related to the use of water by customers of the irrigation perimeters (application of Decree-Law no. 97/2008), amounting to EUR 800,088; and (v) interest on bonds/bank loans and charges with bank guarantees, amounting to EUR 724,149.

22.3. Investment suppliers

There is a significant decrease in the balance of this item, which results essentially from the regularisation of payments associated with investment in tangible and intangible fixed assets.

The balance of this account is also influenced by the amounts withheld by EDIA, as developer, under Decree-Law 59/99, in order to guarantee the execution and maintenance of the works, in situations where the contractor has not provided a bank guarantee for the purpose, while still within the scope of the guarantee period for the work.



22.4. Community Funds

Under the Rural Development Programme 2014–2020 (PDR2020), EDIA formulated a request for an advance payment, for the project for the 2nd phase of the installation of the Álamos feeder, in the amount of EUR 7,015,000.

In these cases, and as provided for in Article 63 of Commission Regulation (EC) No 1305/2013 of 27 December, the Board of Directors (through a written guarantee issued to the competent paying agency – Instituto de Financiamento da Agricultura e Pescas, I.P.) has guaranteed repayment in an amount corresponding to 100% of the amount of the advance if entitlement to the advance is not proven.

Regarding the advance payment request, until the end of 2021, EDIA presented expenses of EUR 6,074,546, leaving EUR 940,454 to be settled.

23. Variation in Production Inventories

The variation in production inventories on 31 December 2021 and 31 December 2020 is broken down as follows:

EUR		
Ongoing Products and Works	2021	2020
Closing Inventory	13 450 873	24 180 649
Transfers to "Other Accounts Receivable"	21 776 561	511 197
Opening Inventory	(24 180 649)	(6 980 873)
Variation in Production Inventories	11 046 784	17 710 972
	11 046 784	17 710 972

Table 117: Work in progress

Following the publication of Decree–Law No 335/2001 of 24 December 2001, which, with the exception of Infrastructure 12 and the Luz Perimeter, provides for the transfer to the State (MAFDR) of the infrastructure forming part of the secondary network assigned to EFMA, EDIA has, since 2002, shown the cost of works on the secondary network infrastructure under “Inventories”.

With the entry into operation on 31 December 2016 of all the completed blocks and in accordance with the treatment given in previous years to other infrastructures of the same nature, the value associated with these infrastructures was transferred from the “Products and Works in Progress” account to the “Finished and Semi-Finished Products” account.

With the delivery contracts signed with the State (DGADR), in April and November 2013, the balance of the “Finished and Intermediate Products” account, related to the secondary network, investments in perimeters substantially completed and already in operation, is transferred to the “Other Accounts Receivable” item. In 2021, the amount of EUR 21,776,561 was transferred in respect of projects allocated to blocks.

In 2021, the decrease under the item “Variation in Production Inventories” in the amount of EUR 6,664,188 is due, globally, to the transfer of the value of the investment made in the secondary network infrastructures, in the areas bordering the 2nd Phase of EFMA, which went from being underway to being finished, essentially the Cuba–Odivelas and Évora Blocks, to the DGADR entity.

24. Own Work for the Entity

This item records the allocation to investment in progress (in “Intangible Assets”) of expenditure allocated to the Company’s operational areas directly linked to the construction of EFMA infrastructures. These expenses are directly related to the primary network, carried out under the direct administration of the Company, as explained in Note 3.1.f.

25. External Supplies and Services

EUR		
External Services and Supplies	2021	2020
Electricity	12 516 631	15 456 164
Subcontracts	10 202 042	16 817 557
Maintenance and Repairs	5 279 249	3 323 323
Specialised Works	834 862	919 632
Insurance	650 082	617 905
Litigation	334 959	86 151
Surveillance and Security	264 081	269 698
Fuel	200 793	183 003
Cleaning and Hygiene	166 828	168 034
Communication	104 070	102 824
Publicity and Advertising	101 395	98 561
Fees	54 109	87 187
Rentals and Leases	39 322	355 502
Tools and Utensils	36 694	35 027
Office Supplies	15 893	14 320
Tolls and Parking	15 255	15 523
Water	11 609	8 348
Travel and Lodging	9 461	6 816
Other Fluids	8 487	15 604
Books and Technical Documentation	2 974	5 599
Representation Expenses	1 318	2 913
Other	24 514	39 631
Total	30 874 628	38 629 323

Table 118: External supplies and services

The item “External Supplies and Services” shows a very significant decrease, in homologous terms, resulting mostly from:

- A decrease in the “Electricity” sub-account, which results essentially from the fact that the first semester of 2021 was a hydrologically wet period, which allowed to create an additional water reserve in key upstream infrastructures, in order to be able to distribute water afterwards, without energy consumption. Also, the supply of water to neighbouring areas was, in the year 2021, quite reduced (about 30 hm³ compared with 90 hm³ in 2020). However, it should be noted that the value of the energy bill remains high, due to the full operation of the various infrastructures in operation;
- A very significant decrease in the “Subcontracts” sub-account, as a consequence of a lower investment volume in the infrastructure of the neighbouring areas of the secondary network, evidenced in the “Inventories” item. This decrease in expenses is compensated by a decrease of a similar amount in the “Variation in Production Inventories” item;
- An increase in the “Conservation and Repair” sub-account, as a result of the increase in the number of years in which the infrastructure of the EFMA primary and secondary networks are in operation and therefore the greater number of occurrences of preventive and corrective interventions, and also the increased complexity of some of these interventions. These expenses are indispensable and arise from the

obligation and commitment of EDIA, under the concession contract, to maintain the infrastructure in its best conditions of use; and

- An increase in the sub-account “Litigation and Notary” resulting from the provisions of Articles 65 and 69 of the Legal Regime of Hydroagricultural Exploitation Works (RJOAH). The cost of payment of the improvement fee, as well as the cost of payment of the maintenance and operation fees, are encumbrances subject to registration under the terms and for the purposes provided for in the Land Registry Code, and therefore EDIA, as manager and concessionaire of the construction and operation of the Development, is obliged to promote the respective registration.

In general, with regard to the other items, there were no significant variations.

26. Personnel Costs

On 31 December 2020 and 31 December 2021, the number of EDIA employees is 179.

The “Personnel Costs” of the Company were as follows

Staff Costs	2021	2020
Remunerations	5 285 667	5 161 465
Social Security Charges	1 183 319	1 145 052
Other Staff Costs	307 745	295 103
Total	6 776 731	6 601 620

Table 119 Personnel Costs

As of 31 December 2021, the personnel expenses include the estimated expenditures for salaries, holidays, and holiday allowances, payable in 2022.

The variation in personnel costs results essentially from the combination of two situations: (i) the reduction in absenteeism associated to the COVID 19 pandemic situation; and (ii) the salary progressions attributed through the performance evaluation process.

During 2021 and the same period in 2020, the members of the Company’s corporate bodies were attributed the following remuneration related to the performance of their duties:

	2021	2020
Board of Directors	234 551	235 273
Statutory Auditor	17 468	17 468
Supervisory Board	33 369	36 579
Board of the General Meeting	-	1 325
Total	285 388	290 645

Table 120: Corporate Bodies Expenses

In comparison with the same period of the previous year, the monthly expenses with the governing bodies have decreased due to the fact that, currently, the Supervisory Board has one less member (Member) than in the homologous period (3 instead of 2).

27. Other Income and Gains

Other Income and Gains	2021	2020
Concession Agreement Interest_EDP_IFRS 15	6 571 915	6 768 324
Allocation of Investment Grants	1 878 587	1 878 587
Other Income	269 980	263 988
Total	8 720 482	8 910 899

Table 121: Other Income and Gains

27.1. Interest

Under the “Concession Contract for the Operation of the Alqueva (CHA) and Pedrógão (CHP) Hydroelectric Plants” concluded with EDP, EDIA received an initial amount of EUR 195,000,000 and will receive, for a period of 35 years, a periodic annual amount of EUR 12,380,000 (value updated in 2012).

The amount of EUR 6,571,915 shown under “Interest on Concession Agreement-EDP_IFRS 15” corresponds to the part of the remuneration (established in the contract with EDP) that reflects the updating of the capital (fair value of the sub-concession calculated at the date of signing the contract), based on an implicit fixed rate of 3.5%.

27.2. Allocation of Investment Subsidies

The item “Allocation of Investment Subsidies” reflects the recognition in income of subsidies associated with investments, essentially in the energy segment, to the extent that the latter are depreciated. Does not include:

- Subsidies for the construction of the secondary network, which are shown under “Deferrals”, in Non-Current Liabilities, since the corresponding assets are property of the State. Most of these subsidies were deducted from the investment, initially shown under “Inventories” and subsequently transferred to the account of DGADR, under “Other Accounts Receivable”, when the contracts were signed for the delivery of the completed infrastructure, because EDIA has made these investments with its own funds, on behalf of the State, resulting from the Concession Contract signed with DGADR in April 2013 and ending on 31 December 2020; and

- Subsidies associated to the water distribution activity, whose assets have been concluded to be totally impaired, have been derecognised when recording impairment losses of the respective assets, i.e., these losses are recognised in the Statement of Comprehensive Income by the net value of the respective subsidies.

28. Other Expenses and Losses

The item “Other costs and losses” (EUR 273,786) increased compared to the homologous period (EUR 162,985), since: (i) the amounts payable for direct and indirect taxes increased; and (ii) the participation in Lusofuel S. A. was eliminated.

29. Interest and similar costs incurred

Interest and Similar Costs	2021	2020
Interest expenses	1 730 669	2 484 828
Guarantee commission	362 120	246 488
Banking services	36 217	34 126
Total	2 129 006	2 765 442

Table 122: Interest and similar costs incurred

The account “Interest and similar costs incurred” reflects, in its entirety, the interest associated with the loans contracted by the Company, especially the medium and long-term loan from the DGTF and the bond loans. The decrease in the balance of interest paid reflects the reduction in bank loans.

The remaining balances relate essentially to guarantee commissions on bond loans and banking services, granted by the Portuguese State (see Note 21).

30. Expenses/Reversals of Depreciation and Amortization

Expenses/Reversals of Depreciation and Amortization in 2021 and 2020 are broken down as follows:

EUR		
Depreciation and Amortisation Expenses/Reversals	2021	2020
Tangible Fixed Assets		
Land and Natural Resources	-	-
Buildings and Other Constructions	260 461	253 678
Basic Equipment	36 192	32 428
Transport Equipment	43 909	41 461
Administrative Equipment	92 151	70 201
Other Tangible Assets	88 809	65 839
	521 522	463 607
Intangible Assets		
Land and Natural Resources	859 776	859 776
Buildings and Other Constructions	3 118 134	3 117 926
Basic Equipment	1 281 430	1 281 430
Finance Leases_Usage Rights_IFRS 16	339 507	-
Other Intangible Assets		
Computer Software	10 832	12 521
	5 609 680	5 271 654
Total	6 131 202	5 735 262

Table 123: Expenses/Reversals of Depreciation and Amortization

31. Operating Segments

EDIA's activity is grouped into three operating segments: Water; Energy; and Special Projects.

The Water segment is related to the management of the use of the public water domain allocated to EFMA in order to ensure its distribution through

criteria of rigour and sustainability, consisting of two sub-segments:

- Water Storage, in which the large reservoirs (Alqueva and Pedrógão reservoirs) stand out and whose purpose is to supply water for agricultural, industrial, public supply and hydroelectric purposes, with revenues essentially internal; and
- Water Supply, encompassing the three water supply subsystems of EFMA (Alqueva, Pedrógão and Ardila). In this sub-segment, EDIA only really started operating after the completion of the construction of the irrigation perimeters and the establishment of the tariff to be applied to the provision of water distribution services (Order No. 9000/2010 of 26 May, updated by Order No. 3025/2017 of 11 April), with gradual increases in earnings over the years due to the entry into operation of new perimeters, the increased adherence to irrigation and the use of water for other purposes.

The Energy segment consists of the production of electricity through the Alqueva and Pedrógão hydroelectric power plants, the Alvito, Odivelas, Pisão, Roxo and Serpa Mini Hydroelectric Plants and the Alqueva Photovoltaic Plant. The turnover essentially results from the income received from the concession contract for the Alqueva and Pedrógão hydroelectric plants to EDP for a period of 35 years. However, it also refers the operation in this period of all the mini-hydroelectric power plants, except Roxo, and the photovoltaic power plant, being the electricity production of these plants delivered to the national network.

The Special Projects segment covers various areas, such as tourism, the environment, culture, and cartographic production:

- Cartography Centre, a project originally created as a support for the investment made by EDIA, both at cartographic and topographic level, and which emerges as a business opportunity;
- PNN which emerged as an environmental minimisation project as a result of the construction of the Alqueva reservoir, but which is complemented by agricultural and tourist areas; and
- Luz Museum is a space of memory and interpretation of all the unprecedented processes of the relocation of Aldeia da Luz and appears as a growing cultural project in the new village.

The segment results for the year 2021 and 2020 are as follows:

EUR					
ITEMS	2021				
	Water	Energy	Special Projects	Not Allocated	Total
External revenues	19 252 718	16 173 821	173 350	17	35 599 907
Exploitation Operating Expenses	(24 018 830)	(347 247)	(1 017 921)	(518 393)	(25 902 391)
Intersegmental revenues/expenses	(298 961)	(21 860)	320 822	-	0
Gross Margin	(5 065 073)	15 804 714	(523 749)	(518 375)	9 697 516
Other Income and Gains	3 591 090	4 738 306	84 125	595 779	9 009 300
Other Costs and Losses	(2 577 640)	11 140	(4 812)	22 807	(2 548 505)
Profit Before Depreciations and Financial Expenses	(4 051 624)	20 554 161	(444 436)	100 211	16 158 311
Depreciation and Amortisation	(454 824)	(5 284 371)	(228 226)	(54 499)	(6 021 920)
Impairment Losses	(17 841 728)	-	-	-	(17 841 728)
Operating Profit	(22 348 176)	15 269 790	(672 662)	45 712	(7 705 337)
Interest and Financial Profit Obtained	-	-	-	0	
Interest and Financial Expenses	(2 100 063)	(3)	(1 274)	(19 197)	(2 120 537)
Results by Business Segment	(24 448 239)	15 269 787	(673 936)	26 515	(9 825 873)
				Income Tax	(29 636)
				Net Profit for the Period	(9 855 509)

EUR					
ITEMS	2021				
	Water	Energy	Special Projects	Not Allocated	Total
Assets	257 929 998	504 826 074	11 162 396	3 670 352	777 588 821
Liabilities	302 511 850	382 701 322	1 701 028	64 668	686 978 868

Table 124 and 125: Segments 2021

EUR

ITEMS	2020				
	Water	Energy	Special Projects	Not Allocated	Total
External revenues	19 128 169	16 223 066	188 407	70	35 539 712
Exploitation Operating Expenses	(24 716 287)	(465 663)	(1 081 297)	(503 342)	(26 766 588)
Intersegmental revenues/expenses	(332 657)	(23 742)	356 399	-	0
Gross Margin	(5 920 775)	15 733 661	(536 490)	(503 272)	8 773 124
Other Income and Gains	3 840 661	4 934 715	118 036	582 914	9 476 325
Other Costs and Losses	(6 559 487)	(45 650)	(17 771)	(90 914)	(6 713 822)
Profit Before Depreciations and Financial Expenses	(8 639 601)	20 622 726	(436 226)	(11 272)	11 535 627
Depreciation and Amortisation	(208 453)	(5 284 365)	(190 090)	(18 078)	(5 700 987)
Impairment Losses	(16 879 178)	-	-	-	(16 879 178)
Operating Profit	(25 727 232)	15 338 361	(626 316)	(29 350)	(11 044 537)
Interest and Financial Profit Obtained	-	-	-	-	-
Interest and Financial Expenses	(2 751 907)	-	-	(13 536)	(2 765 442)
Results by Business Segment	(28 479 139)	15 338 361	(626 316)	(42 886)	(13 809 980)
				Income Tax	(45 214)
				Net Profit for the Period	(13 855 194)

EUR

ITEMS	2020				
	Water	Energy	Special Projects	Not Allocated	Total
Assets	242 917 574	513 529 283	11 259 223	13 336 475	781 042 555
Liabilities	320 267 002	407 697 904	1 656 889	3 779 088	733 400 883

Table 126 and 127: Segments 2020

32. Other Relevant Information

This note is used to disclose other information not provided for in the previous notes and which is considered necessary to better understand EDIA's financial position and results.

Main Impacts of Pandemic COVID-19

During the year 2021 and during the pandemic situation that has settled in the country, it is worth mentioning Order No. 4146-A/2020 ^[1], of 03 April (regulation specifically applicable to EDIA/EFMA), issued by the Office of the Minister of Agriculture, establishes in its paragraph 4, the following

guidelines concerning EDIA, during the context of the pandemic:

“4 – In order to ensure the continuity and uninterruptedness of the provision of public water supply services for the exercise of agricultural activity, the Empresa de Desenvolvimento e Infraestruturas do Alqueva, S. A., must continue to guarantee the following essential activities:

a) Management and operation of the supply systems, ensuring the functioning of the supply and distribution networks, as well as all the equipment and infrastructure;

b) the immediate assessment and reporting of disturbances in the exercise of the activities provided for in the preceding subparagraph”

As EDIA is responsible for supplying water for irrigation, as well as for strengthening public and industrial supply, these guidelines aimed to ensure and guarantee the regular operation of this essential service for the functioning of our company. Despite this context, the Company thus continued to guarantee the supply of water to its customers as well as the support it has been providing, making Alqueva the example of solidarity-based agriculture.

In this context, the Company took several measures, of which the following are highlighted:

- Acquisition of hygiene and protection products, namely alcohol gel, masks, visors, among others;
- In cases where the nature of the functions allows it, employees have been placed on teleworking;
- Reduction in the number of employees to 1 in each room/office, with weekly rotation; and
- Customer service is now provided by telephone and/or e-mail.

Measures to protect against the pandemic were reinforced, in compliance with the Specific Contingency Plan approved in March 2020, as well as the guidelines issued by the Directorate General of Health (DGS).

Impacts of the Russia-Ukraine war

The current war situation in Ukraine will have a significant impact in economic terms worldwide, since, according to the International Monetary Fund (IMF), and beyond the armed conflict itself, the sanctions imposed on Russia and its partners “will also have a substantial impact on the global economy and financial markets, with spill-over effects for other countries”.

The beginning of the conflict in Ukraine on 24 February 2022 is thus unequivocally a decisive factor, generating extraordinary uncertainty, which will condition economic evolution in the near future, and it is not yet possible to quantify the future impacts on the Company's business areas.

Standing Interpretations Committee – SIC-29 Interpretation

Disclosures-Service Concession Agreements

As referred in Note 2.1 – Bases of Presentation, the financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, including the standards as well as the respective interpretations.

According to the terms of the concession agreements, within the scope of this Interpretation, EDIA acts as a public service provider and operates and maintains that operation service for a specific period, within the scope of the concession contract concluded with the Ministry of the Environment, Planning, Territory and Regional Development.

EDIA recognises an intangible asset to the extent that it receives a right (a licence) to charge users for the public service.

[1]- Order No. 4146-A/2020 – Establishes the essential services and necessary measures to guarantee normal conditions of production, transport, distribution and supply of agricultural and livestock goods and services, and those essential to the agri-food chain, within the scope of the powers of the bodies and services of the Ministry of Agriculture.

On 17 October 2007 the Company signed this concession contract, which regulates the use of water resources for abstraction of water for irrigation and power generation in the primary system of the Alqueva Multipurpose Development. In this contract, EDIA was granted the management and operation, as well as the use of the public waterways domain allocated to the Development.

EDIA's activities included in its object are the design, implementation and construction of the infrastructures that make up the secondary network assigned to the undertaking, on behalf of the State and in accordance with the instructions given to it by the Minister for Agriculture, Rural Development and Fisheries.

As assets allocated to the Concession, the following should be considered:

- The infrastructures related to the uses of the public hydric domain under concession, and which are part of the primary system of the development, identified under the terms of Article 1 of Decree-Law no. 42/2007, of 22 February;
- All works, machinery, equipment, devices, and respective accessories necessary for the operation, exploitation, maintenance, and management of those infrastructures.

The object of the Concession is the exclusive management and operation of EFMA, under the terms of Article 4(3) of Decree-Law 311/2007 of 17 September, as well as the use of the public waterways domain allocated to the Development.

The management, operation and private use of the public waterways domain allocated to EFMA

includes the administration of the public waterways domain assets allocated to the undertaking, the competences for granting titles for the use of water resources and the supervision of the use of such public water resources by third parties, as well as the following private uses of the public waterways domain:

- Catchment of water for irrigation;
- Water capture for energy production; and
- Laying out and construction of the hydraulic infrastructures intended for the purposes referred to in the previous sub-paragraphs.

Under the terms of the legal regime for hydro-agricultural developments (Decree-Law no. 269/82, of 10 July), the concession of the infrastructures that make up EFMA's secondary network and form

part of the hydro-agricultural component of the development involves the obligation to provide the services under concession in an appropriate, effective, and continuous manner.

The following activities are included in the scope of the concession:

- The management of water resources associated with the EFMA hydro-agricultural component, as well as the use of those resources from the public domain;
- The operation, conservation, and rehabilitation of the secondary network infrastructures;
- Actions to modernise the hydro-agricultural facilities that make up the EFMA hydro-agricultural component; and



- The abstraction and supply of water to agriculture, the agri-food sector and other economic activities that benefit from the infrastructure of hydro-agricultural facilities;

At the end of the concession, the concession operator EDIA must deliver to the grantor the assets which make up the concession, in an adequate state of repair and operation, free of any onuses or charges. On that date, all the rights and obligations arising from the concession contract also cease to exist for the concessionaire.

The concession is extinguished by agreement between the parties, by termination, by revocation and by expiry of the respective term. Renewal of the concession is not expressly provided for but may always occur by agreement between the parties.

Tax Inspection

According to the legislation in force, income declarations for tax purposes are subject to revision and correction by the Tax Administration for a period of four years.

Based on this assumption, the Company's tax returns from 2008 to 2011 were subject to review by the Portuguese Tax Authority (AT).

In October 2012, as part of a tax inspection on corporate income tax, the Tax Authority (AT) proposed a correction for the years 2008 to 2011, to the amount of depreciation made on submerged land, since it considers that not all investments made by EDIA are subject to depreciation under the tax law, so it excludes the possibility of depreciating the value of submerged land for tax purposes, as it believes that they do not suffer any loss.

Most of the assets currently recorded under "Intangible Assets" were, until the date on which the Accounting Standards System came into force, on 1 January 2010, shown under the item "Tangible Fixed Assets", and were then reclassified to "Intangible Assets", as provided for in IFRIC 12 – Service Concession Arrangements, applicable to the concession contract signed with the Ministry of the Environment, Spatial Planning and Regional Development, as expressly recognised by the Accounting Standards Committee on 20 January 2011.

The submerged lands in question, which were amortised by EDIA, are included in EFMA and are the subject of the concession contract concluded on 17 October 2007 between EDIA and the Portuguese State, called the "Concession Contract for the use of water resources for the abstraction of water for irrigation and the production of electricity in the primary system of EFMA", with a duration of 75 years.

Under the terms of Clauses 8 and 9 of this contract, all assets included in EFMA, including submerged lands subject to depreciation, shall revert to the Portuguese State at the end of the respective concession contract.

Therefore, in accordance with: (i) article 13 of Regulatory Decree no. 2/90, of 12 January, in force during the period to which the tax inspection refers "The fixed assets acquired or produced by concessionaires and which, under the terms of the clauses of the concession contract, may be reversible at the end of the concession contract, may be reintegrated or amortised in accordance with the number of years remaining of the concession period when this is less than its minimum useful life" and (ii) Clauses 8. Considering that the land amortized, as well as all assets included in EFMA will revert to the State at the

end of the Contract, all legal requirements for the acceptance of amortization as a tax cost are met, and therefore no correction should be made with regard to IRC, which is the position defended by the Company.

In May 2013, EDIA lodged a Judicial Appeal against the decision to dismiss the Corporate Income Tax (IRC) Assessment Statement for the financial years 2008, 2009, 2010 and 2011, and thus requested the Judge of the Beja Tax Court to annul in full the IRC and interest assessment statements, as well as the reinstatement of the tax losses affected by this correction made during the tax inspection, for the four years.

In January 2014, as in the case of the Grateful Complaints and Court Disputes submitted for previous years (from 2008 to 2011), EDIA submitted a Grateful Complaint for the year 2012. In February, the AT communicated its dismissal, arguing, on the same grounds, that the amortisations considered were undue, so the technical correction was necessary, since the cause of lawsuit is exactly the same as those of the IRC proceedings of previous years. In view of the above, EDIA filed a Judicial Appeal against the correction made by the inspection for the year 2012.

In view of the subsequent rejections presented by the AT to the processes of the following years, and according to the procedure adopted in previous situations, EDIA presented a Legal Disputes concerning the years 2013 to 2016.

EDIA informs that, notwithstanding the respect that the interpretation made by the Tax Authorities deserves, and having been notified through the Statements of Adjustment of Accounts, for the years 2008, 2009 and 2010, to pay the amounts due of EUR 15,022, EUR 16,963 and EUR 55,125 respectively, it has requested a suspensive effect

of the tax assessment and respective compensatory interest, undertaking to provide a guarantee and deposit to the order of the Tax Authority in the amounts of EUR 20,138,125 respectively, requested the suspensive effect of the assessment of the tax and respective compensatory interest, undertaking to provide guarantee and deposit to the order of the Tax Authority, in the amounts of EUR 20,138 and EUR 90,745 respectively, under the terms and for the purposes of paragraph f) of Article 69 and Article 199 of the Code of Procedure and Tax Proceedings.

In summary, the procedural phase in which each of the processes is found is presented:

- Case 2008- 171/13.6BEBJA – Unfavourable sentence by the Supreme Administrative Court (STA);
- Case 2009- 172/13.4BEBJA – Unfavourable ruling by the Supreme Administrative Court;
- Case 2010- 186/13.4BEBJA – Unfavourable ruling by the STA;
- 2011 and 2012 Case – Joined to the 2010 Case;
- Case 2013- 268/15.8BEBJA – Unfavourable ruling by the STA;
- Case 2014- 16/17.8BEBJA – Favourable sentence Administrative and Fiscal Court of Beja (TAF); and
- Case 2015 and 2016-194/19.1BEBJA – Unfavourable ruling by TAF. No appeal to the TAF.

At the date of this report, as there has been no tax inspection of the financial year 2017 and following,

the AT has not corrected the CIT assessments in order not to accept the amortisation of the submerged land and therefore no graceful claim/ judicial challenge has been filed by EDIA.

In August 2021, the AT notified EDIA to pay the amounts of EUR 19,577 and EUR 21,730, as a result of the decisions rendered in the litigation processes of 2008 and 2009, which were dismissed and became final in June and July, respectively. At the date of this report, EDIA has already paid these amounts so that the bank guarantees were not enforced, to the order of the AT, and that these two tax enforcement proceedings with an unfavourable decision for the Company were extinguished.

Throughout these years, EDIA contradicted the understanding of the High Court of Justice that the land cannot be depreciated, arguing that in the specific case of the Company, the rule provided for in Article 12.1 of Regulatory Decree No. 25/2009 of 14 September, which allows the depreciation of reversible assets at the end of the concession, would apply. During the year 2021, the judgments of the Supreme Court (generally unfavourable to EDIA) became known, defending the thesis that if there is a rule prohibiting the depreciation of land, it always applies, even in cases of concession. In view of the above, EDIA reassessed the AT's decisions rejecting the Judicial Disputes presented and therefore also the judgments of the STA, and as it does not foresee any procedural mechanism capable of appealing these decisions, it accepts and will make the necessary corrections, requesting the release of the respective bank guarantees provided in favour of the AT.

EDIA, at the date of this financial report, is not aware of any further information about these processes.

The value of tax losses declared by EDIA for the years 2014 to 2020, still deductible, amounts to EUR 48,161,985, however, given the facts ascertained and verified in the inspection procedure by the AT, the technical corrections for income tax calculated for land, so far, by direct assessment amount to EUR 8,139,266, which, in view of the unfavourable results of the judgments of the Supreme Administrative Court, now known, EDIA can only deduct the corrected losses calculated, up to the amount of EUR 40,022,719.

Debts to the Tax Administration and the Institute of Solidarity and Social Security

From the information legally required in other legislation, particularly in Articles 66, 324, 397, 447 and 448 of the Companies Code (CSC), the legal provisions arising from Decree-Law No. 534/80 of November 7 issued by the Ministry of Finance and Planning and the provisions referred to in Law No. 110/2009 of 16 September issued by the Ministry of Employment and Social Security, it should be noted that EDIA, through the documents of accountability, hereby discloses that it is not in breach of its obligations, neither with the Ministry of Finance nor with the Ministry of Social Security.No. 110/2009 of 16 September issued by the Ministry of Employment and Social Security, it should be noted that EDIA, through the documents of accountability, hereby discloses that it is not in breach of its obligations, neither with the state sector nor with Social Security.

Environmental Matters

The concession contract for the use of water resources by EFMA, of 17 October 2007, signed between EDIA and the State, set out the terms and conditions to which the grantor – concessionaire relationship would be subject, specifying the rules for the exercise of the referred rights of private use



of water resources, in the context of the operation of the Development. In November 2021 the first addendum to this concession contract was signed, through which the Alvito dam and the installation and operation of the EFMA Floating Photovoltaic Power Plants (UPAC), with a total power of up to 180 MW, are integrated in the concession.

The environmental management of the project is based on its Environmental Management Programme and on the results of the environmental impact assessment processes of the irrigation blocks and hydraulic infrastructures. The main objectives of EFMA's environmental management are to ensure the sustainable use of the water resources allocated to it, minimising and compensating the negative environmental impacts of the undertaking and enhancing its positive impacts. In this context, the need to ensure efficient use of water and promote the adoption of good agricultural practices by users of water for irrigation stands out.

In this context, EDIA undertakes to implement, during the construction and operation phase, a set of measures aimed at ensuring that all areas affected by the implementation of the interventions promoted by it are subsequently requalified.

In terms of environmental policy, the Company aims to ensure the continuous improvement of its environmental performance, fulfilling all its obligations regarding the legal compliance of the activities developed. Also of note is its commitment to analysing the environmental impacts of the Company's activity and to training and raising the awareness of its employees and service providers.

Environmental expenses are those identified and incurred to avoid, reduce, or repair damage to the environment resulting from the Company's activity.

In this sense, taking into account: (i) the nature and dimension of the Company's activity and the types of environmental problems associated with its activity, and (ii) information about its environmental performance, there is no responsibility of an environmental nature that should give rise to provisions, since we do not consider it to be materially relevant.

Guarantees provided

- In May 2015 and April 2016, two guarantees were provided in favour of EDP Distribuição-Energia, S.A., in the amounts of EUR 95,640 and EUR 60,930 respectively, which constitute the security required for provisional acceptance of the interconnection line between EDIA's infrastructures, in which the latter undertakes the obligation to pay compensation due for the repair of any defects in the equipment and/or construction/assembly processes that become apparent during the guarantee period. On 31 December 2021 these guarantees are in force, however, in January 2022, EDP informed EDIA of its intention to release the guarantee in the amount of EUR 60,930.
- Within the scope of the execution of the works of the networks, primary and secondary, EDIA, for horizontal drilling on the roads, has to request the licensing from the company Infraestruturas de Portugal, S.A. which requires that the Company, for each crossing, provides a bank guarantee in its favour, with no deadline and/or for a period of five years. On 31 December 2021 the total amount constituted is EUR 42,072.
- In October 2012, as part of a tax inspection

on corporate income tax, the Tax Authority (AT) proposed a correction, in the years 2008 to 2011, to the amount of depreciation made on submerged land, since it considers that not all investments made by EDIA are subject to depreciation under the tax law, and therefore excludes the possibility of depreciating the value of submerged land for tax purposes, as it believes that it does not suffer any loss. EDIA contested and had to provide in favour of the AT, two bank guarantees, without term, in the total amount of EUR 20,138, intended to secure the suspension of the tax execution proceedings underway at the Tax Office. Until 31 December 2021 there was no reinforcement of these guarantees.

- On 31 December 2021, there are still four guarantees in favour of Águas Públicas do Alentejo, S.A. (AgdA) and one in favour of Águas de Santo André, S.A. (AdSA), in the amounts of EUR 11,727 and EUR 455 respectively, relating to Service Provision Contracts, within the scope of expropriations and easements.
- Under the contract signed with Galp Energia, Petróleos de Portugal-Petrogal, S.A., EDIA provided a bank guarantee intended to "Secure the proper payment of consumption relating to the GALP fleet card". On 31 December 2021, the amount provided was EUR 1,746.

The total value of guarantees provided (EUR 232,708), is broken down between the following banks, CCAM do Alentejo Sul and BCP, for the following amounts EUR 170,032 and EUR 62,676 respectively.

Contingent Assets and Liabilities

Commission Regulation (EC) No 1305/2013 of 27 December

The commitments made by EDIA, which are not shown in the Statement of Financial Position as of 30 June 2021, are the guarantees provided under the provisions of Article 63 of Regulation (EC) No 1305/2013 of the European Parliament and of the Council of 27 December.

Within the scope of the Rural Development Programme 2014-2020 (PDR2020), and under the terms and pursuant to the provisions of Article 25(4) of Order in Council No. 229/2016 of 26 August, EDIA formulated a request for payment by way of advance, within the amount allowed by these regulations, for project No. PDR2020-341-035424 "2nd phase of the Álamos Pipeline Installation", amounting to EUR 7,015,000.

In these cases, and as provided for in Article 63 of Commission Regulation (EC) No 1305/2013 of 27 December, the Board of Directors (through a written guarantee issued to the competent paying agency - Instituto de Financiamento da Agricultura e Pescas, I.P.) has guaranteed repayment in an amount corresponding to 100% of the amount of the advance if entitlement to the advance is not proven.

The competence for the provision of guarantees by the Company lies with the Board of Directors, either under the provisions of Article 15 of EDIA's statutes, in particular, or under paragraph 1(c) and, in particular, under the provisions of Article 406(f) of the Companies Code, applicable by virtue of the provisions of Article 7 of Decree-Law 558/99, of 17th December.

Following the presentation of several payment requests, the advance of EUR 6,074,546 was settled. On 31 December 2021, the advance of EUR 940,454 remains to be settled.

Power Reinforcement Investments by EDP at the Alqueva Power Station

Under the provisions of Decree – Law No. 313/2007 of 17 September, which approved the bases of the concession granted by Contract between the State and EDIA on 17 October 2007, the latter was assigned, as concessionaire of the management, operation and private use of the public waterways domain allocated to EFMA, the powers of administration of that public waterways domain within the scope of its activity, the powers to grant titles regarding the abstraction of water for irrigation and power generation and also the powers to supervise its use by third parties, as well as the powers to initiate, investigate and sanction administrative offence proceedings in this area.

In effect, based on the regulations contained in the recent legislative package on water resources, EDIA appears simultaneously as the concessionaire for the management and operation of the Development and as the holder, on an exclusive basis, of the rights to the private use of the public waterways domain allocated to EFMA for the purposes of irrigation and hydroelectric operation.

The Concession Contract thus specified the conditions to which the grantor-concessionaire relationship would be subject, specifying the content of the mission associated with the operation of the Development and defining the rules for the exercise of the aforementioned rights of private use of the public waterways domain.

In this context, Decree Law 313/2007 of 17 September 2007 framed the concession of the

exploitation rights of the Alqueva and Pedrógão Hydroelectric Power Plants, respecting the rights acquired by third parties under previous legislation.

In view of the above, on 24 October 2007 a Contract was signed between EDIA and EDP – Gestão da Produção de Energia, S.A. awarding EDP Produção the operation, for 35 years, of the Alqueva Hydroelectric Power Plants (260 MW), under the market regime, and Pedrógão (10 MW), under the special regime, as well as the rights of private use of the respective waterways domain. This contract boosted the electric value of the Alqueva – Pedrógão system.

Following this contract to operate the plants for a period of 35 years, EDP proceeded to build the power boost at the Alqueva plant. Given the transfer of these assets made by EDP at the end of the concession term (2042) to EDIA and the Company's responsibility to keep updated the inventory of the assets of the concession signed with the State, EDIA consulted the documentation submitted by EDP in the recent litigation process regarding the revisibility of the concession contract, for the investment made in power boosting, whose total value was calculated at EUR 175,598,748 (EUR 73,317,730 – Construction Work, EUR 100,281,170 – Equipment and EUR 1,999,848 – Line Panel).

As of 31 December 2021, the situation was unchanged compared to 31 December 2020

Investment Incentives

EDP – Gestão da Produção de Energia, S.A. submitted an investment incentive for the Alqueva Hydroelectric Power Plant to the Directorate-General for Energy, which was granted by Order of the Director-General on 1 April 2011, despite EDIA's gracious objections. EDIA did not comply and filed a

Special Administrative Lawsuit, which was brought before the Court on 28 June 2011.

EDIA requests that: (i) the Orders of 5 May and 1 April 2011, which rejected the request of the plaintiff for recognition of the right to the incentive to invest in generation capacity provided for in Order in Council No. 765/2010; and (ii) EDIA be recognised as entitled to the incentive to invest in long-term electricity generation capacity, with reference to the investment made in the construction of the Alqueva Hydroelectric Power Plant, granting it this right in the terms in which it was granted to EDP, with amounts plus default interest due and falling due.

The Plaintiff assigned the amount of EUR 4,800,000 to the lawsuit. A favourable decision was issued to EDIA, through notification on 18 June 2020.

EDP appealed to the Southern Administrative Central Court (TCA), the Ministry of Environment and Climate Action (which succeeded the Ministry of Economy) followed EDP's appeal.

The case has been referred to the TCA Sul and is due to conclude on 18 March 2021.

In the present case, EDIA is the plaintiff and is requesting that the above-mentioned subsidy be attributed to it. If the case were to be dismissed, only the court costs, party costs and fees would be involved, the value of which is estimated at no more than EUR 200,000, given that there may be an appeal to the Supreme Court against the decision of the Southern Court of Appeal and that EDIA may not enjoy the expected success.

Catchments on the Left Bank of Alqueva

The use of water resources in the hydrographic basins of rivers shared between Portugal and

Spain has been the subject of several agreements between the two countries, dating back to the 1864 Treaty of Limits, where the sections of international rivers were established as a border and the importance of using the water resources in these border sections for mutual benefit and without harming the other party was established.

In this context, of note is the signature of the 1968 Agreement regulating the use and hydraulic exploitation of the international stretches of the rivers Minho, Lima, Tejo, Guadiana, Chança and their tributaries, which in paragraphs e) and f) of Article 3, divides the hydraulic exploitation between Portugal and Spain, reserving for Portugal the use of the entire stretch of the Guadiana River between its confluence points with the Caia and Cuncos Rivers.

Thus, in accordance with the 1968 Convention, the exploitation of the stretch between the confluence of the Caia with the Guadiana and the confluence of this river with the Cuncos belongs to Portugal, and in 1999 the situation of the abstractions located on the left bank of the Guadiana in this stretch was regularised. This matter was followed up initially by the International Rivers Commission (IRC) and subsequently by the Commission for the Application and Development of the Convention (CADC), a body for cooperation between the Parties to the Albufeira Convention, which succeeds it. This matter will be followed up by the said Commission, with a view to the future application of the EFMA tariff for these abstractions.

The total volume allocated to these abstractions is over 47 hm³/year, of which 42.9 hm³/year are for irrigation, 4 hm³/year for industrial use and 0.175 hm³/year for public supply. There are also other requests under analysis within the CADC, as well as abstractions indicated as being for emergency use only. Overall, the volume concerned could



reach 50 hm³/year, 55% of which is associated with abstractions located below quota 152 (9% refers to abstractions between quota 147 and 152 and 46% to abstractions below quota 147).

In accordance with CADC deliberation II/6 (Annex VI of the Minutes of the 2nd Meeting), the abstractions made in the reservoir will be subject to tariffs whenever they prove to benefit from its exploitation.

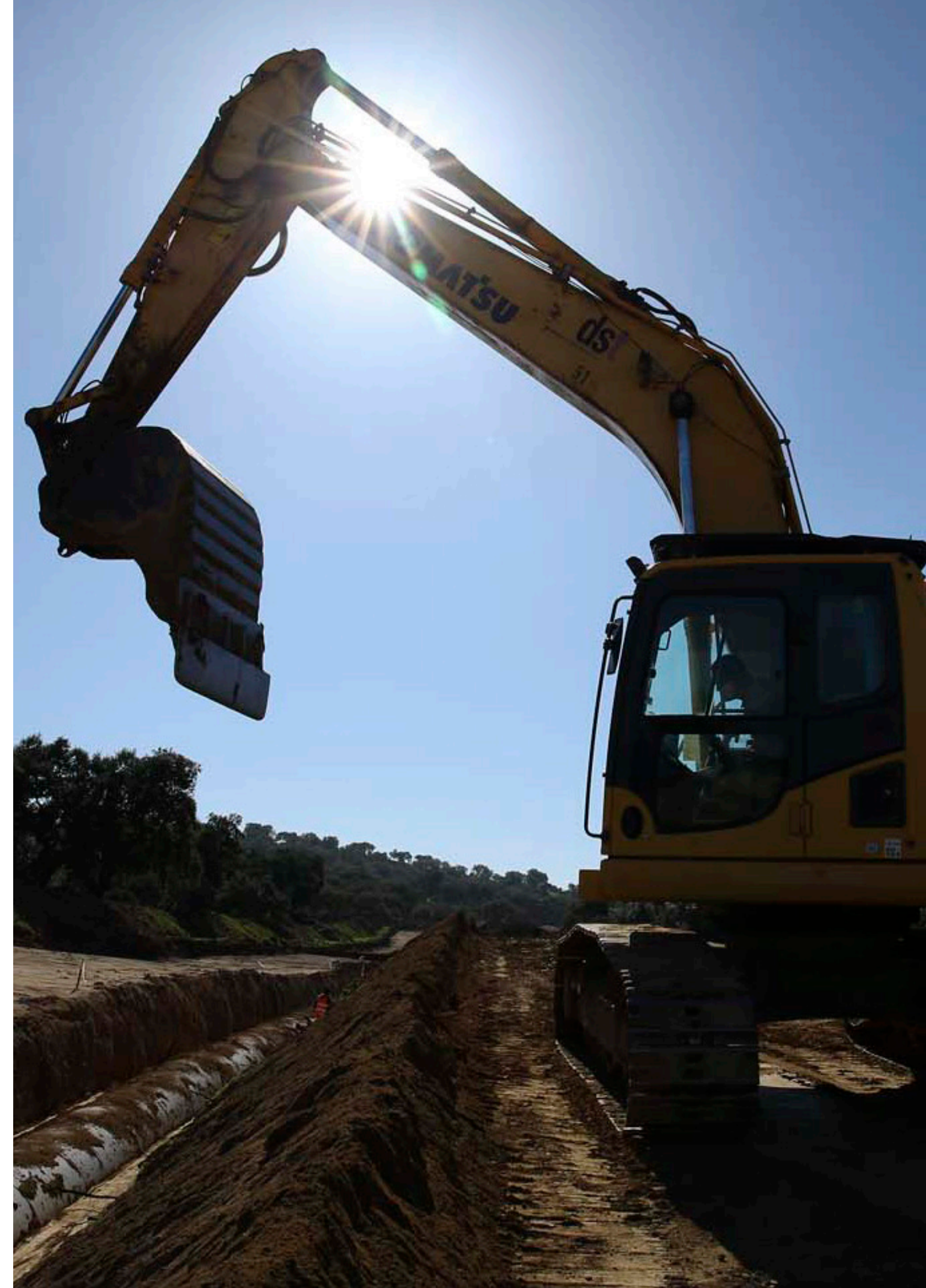
However, these abstractions are only possible due to the flow regularisation effect of the hydraulic infrastructures built by Portugal, namely the Alqueva-Pedrogão System, as evidenced by the non-existence of regularisation reservoirs on the farms concerned, so that water abstraction for irrigation will always occur outside the wet season, when the flow in the Guadiana River would not allow it.

In summary, these direct abstractions from the Alqueva reservoir, located on the left bank, in territory under Spanish administration, should be subject to the application of the tariff defined for EFMA, bearing in mind the aforementioned CADC decision, under penalty of market distortions occurring. This matter should be followed up within the scope of the said Commission, with a view to the future application of the tariff applicable to EFMA to these abstractions.

Applying the value of 0.0382 EUR/m³, established, for water intended for irrigation for agricultural use captured directly from the primary system, by the Order establishing the tariff that sets the price of water intended for irrigation for agricultural use supplied by EDIA, under the public water service of EFMA, results in an income between 500,000 EUR/year and 1,000,000 EUR/year.

This matter is pending a decision by CADC, having been, in the second half of 2020, the subject of a communication to the Office of the Minister of Agriculture. However, despite repeated requests made by EDIA, to date there has been no decision on this matter.

On this reporting date, EDIA considers that this situation translates into the existence of a contingent asset, not being recognised in the Company's accounts, but disclosed in this note with the description of its nature, potential value, and the expectation about its possible realisation. The gains will not be recorded until the final decision is effectively ensured.



CHAPTER 3 - FINANCIAL STATEMENTS AS OF 31
DECEMBER 2021CERTIFICATIONS AND REPORTS OF THE
AUDITORS AND SUPERVISORY BOARDLEGAL CERTIFICATION OF ACCOUNTS AND AUDIT REPORT PREPARED BY AN AUDITOR
REGISTERED IN CMVM (SECURITIES AND EXCHANGE COMMISSION)

EDIA – Empresa de Desenvolvimento e Infra-estruturas do Alqueva, S.A.

CERTIFICAÇÃO LEGAL DAS CONTAS

EXERCÍCIO DE 2021



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CERTIFICAÇÃO LEGAL DAS CONTAS

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião com reserva

Auditámos as demonstrações financeiras anexas de EDIA – Empresa de Desenvolvimento e Infra-estruturas do Alqueva, S.A. que compreendem a demonstração da posição financeira em 31 de dezembro de 2021 (que evidencia um total de 777.588.821 euros e um total de capital próprio de 90.609.953 euros, incluindo um resultado líquido negativo de 9.855.509 euros), a demonstração do rendimento integral, a demonstração das alterações no capital próprio e a demonstração dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, exceto quanto aos possíveis efeitos da matéria referida no primeiro parágrafo da secção “Bases para a opinião com reserva”, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira da EDIA – Empresa de Desenvolvimento e Infra-estruturas do Alqueva, S.A. em 31 de dezembro de 2021 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia.

Bases para a opinião com reserva

De acordo com o Decreto-Lei n.º 42/2007, de 22 de fevereiro, o objeto social da EDIA compreende a conceção, execução e construção das infraestruturas que integram a rede secundária afeta ao empreendimento de fins múltiplos de Alqueva, em representação do Estado e de acordo com as instruções que lhe sejam dirigidas. As referidas infraestruturas, que não se incluem no âmbito da concessão, conforme Decreto-Lei n.º 313/2007, de 17 de setembro, são propriedade do Estado que assegura o seu financiamento e demais condições relativas à atuação da EDIA. Por tal facto, a rubrica de Outras contas a receber – Direção Geral de Agricultura e Desenvolvimento Rural (DGADR) inclui a quantia de 231,1 milhões de euros (209,4 milhões em 31/12/2020) correspondente ao custo dos investimentos efetuados por conta do Estado, líquido de subsídios recebidos, sendo 70,8 milhões referentes à designada Infraestrutura 12 e 160,3 milhões à referida rede secundária (70,8 milhões e 138,6 milhões, respetivamente, em 31/12/2020). Também na rubrica de inventários se inclui a quantia de 13,5 milhões de euros (24,2 milhões em 31/12/2020) referente a trabalhos em curso relativos à mesma rede por conta dos quais foram recebidos subsídios de 0,4 milhões de euros integrados nos diferimentos passivos. Os referidos investimentos por conta do Estado não são objeto de faturação nem são objeto de confirmação pela DGADR, existindo como única validação a aprovação do relatório e contas anual. Deste modo, não nos é possível concluir de que forma e em que prazo podem os referidos ativos correntes, no montante total de 244,2 milhões de euros (233,2 milhões em 31/12/2020) ser objeto de realização.

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras” abaixo. Somos independentes da Entidade nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

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Estamos convictos que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião com reserva.

Ênfase

Conforme divulgado na Nota 18.3 do Anexo às demonstrações financeiras, não obstante os aumentos de capital realizados pelo Acionista em 2021, no valor de 52,8 milhões de euros, o capital próprio da EDIA ascende, por via dos sucessivos prejuízos apurados, a 90,6 milhões de euros, sendo o seu capital social de 913,2 milhões de euros, situação em que se aplica o disposto no artigo 35º do Código das Sociedades Comerciais. Face aos objetivos e relevância do empreendimento, não é expectável que o Estado, enquanto acionista único, deixe de manter o apoio que tem vindo a prestar através dos sucessivos aumentos de capital, cobertura de prejuízos e garantias prestadas no âmbito dos financiamentos obtidos. Salientamos ainda que tal como divulgado na Nota 32 do Anexo às demonstrações financeiras e no Relatório de gestão, não se esperam impactos diretos relevantes na atividade da EDIA decorrentes do conflito armado na Ucrânia, tal como também não ocorreram com a pandemia Covid-19, dado o setor de atividade em que a Entidade se insere.

A nossa opinião não é modificada em relação a estas matérias.

Matérias relevantes de auditoria

As matérias relevantes de auditoria são as que, no nosso julgamento profissional, tiveram maior importância na auditoria das demonstrações financeiras do ano corrente. Essas matérias foram consideradas no contexto da auditoria das demonstrações financeiras como um todo, e na formação da opinião, e não emitimos uma opinião separada sobre essas matérias.

Considerando o enquadramento referido, elegemos, para além das matérias referidas nas "Bases para a opinião com reserva", os seguintes riscos de distorção material:

Riscos de distorção material mais significativos	Resposta do auditor a esses riscos
1) Teste de imparidade dos ativos intangíveis	
Conforme divulgado nas notas 3.1.c; 8.4 e 19 do Anexo, a EDIA realiza testes de imparidade ao segmento "Água", relativamente ao qual é identificado que ao segmento corresponde apenas uma unidade geradora de Caixa. No âmbito do estudo da imparidade foram admitidos, em exercícios anteriores, um conjunto de pressupostos que têm sido objeto de revisão, incluindo a estimativa dos fluxos de caixa futuros. Em consequência do referido estudo, tem a Empresa concluído que o valor presente dos fluxos de caixa futuros associados ao segmento "Água" é insuficiente para recuperar o investimento global já realizado relativamente aquele segmento. Com base nesta conclusão, a EDIA tem registado nas suas contas uma perda de imparidade de valor igual ao dos ativos líquidos do segmento.	Os procedimentos que realizámos para mitigação do risco identificado foram os seguintes: - Compreender o modelo utilizado para o teste de imparidade; - Validar a razoabilidade dos pressupostos utilizados no que se refere aos fluxos de caixa previstos face ao histórico dos fluxos obtidos e às perspetivas de evolução das quantidades de água a fornecer e da tarifa, bem como validar a aderência do principal gasto de exploração (consumo de eletricidade) considerado no estudo e o gasto efetivo ocorrido nos últimos anos, tendo-se concluído que as estimativas consideradas pela EDIA no estudo são mais otimistas que a informação histórica. Por outro lado, não existe informação disponível que leve a concluir que os pressupostos admitidos para
A relevância da área identificada advém, entre outros aspetos, da apreciação dos	

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pressupostos e dos fluxos de caixa estimados, decorrentes da complexidade e nível de julgamento envolvidos.	a receita e para os principais gastos possam ser mais favoráveis que os assumidos; - Verificar as evidências quanto à revisão de outros pressupostos, nomeadamente taxa de desconto utilizada; - Validar cálculos; - Verificar a adequação das divulgações apresentadas no Anexo.
Riscos de distorção material mais significativos	Resposta do auditor a esses riscos
2) Subsídios ao investimento	
Conforme divulgado na nota 17.2.2, os subsídios ao investimento relacionados com bens afetos ao segmento "Água" são deduzidos ao custo do investimento para efeito de determinação da respetiva imparidade, enquanto que os subsídios relacionados com bens afetos ao segmento "Energia" são considerados como rendimentos a reconhecer e objeto de imputação a resultados durante o período da respetiva amortização. Por tais motivos, existe risco significativo de inadequada associação ao ativo a que respeitam e, consequentemente, do reconhecimento dos rendimentos do ano.	Para fazer face ao risco referido, foi estabelecida a seguinte estratégia de auditoria: - Obter uma reconciliação entre as quantias evidenciadas na contabilidade referentes aos segmentos Água e Energia com a informação preparada pelos Serviços competentes; - Obter a decomposição do saldo da conta Subsídios ao investimento à data de 31/12/2021 e verificar que apenas inclui subsídios relacionados com investimentos do segmento "Energia"; - Selecionar os principais investimentos obtendo as respetivas fichas, validando que nestas consta informação sobre o montante do respetivo subsídio e que o período de reconhecimento não diverge da vida útil definida para o investimento; - Validar a adequação das divulgações apresentadas no Anexo.
Riscos de distorção material mais significativos	Resposta do auditor a esses riscos
3) Reconhecimento do rédito	
A EDIA divulga nas notas 3.1.o) e 13.2 do Anexo as bases utilizadas no reconhecimento do rédito. Face aos procedimentos instituídos, poderá existir risco de distorção quanto ao reconhecimento integral do rédito, tendo em conta a faturação dos fornecimentos de água e as estimativas consideradas pela Entidade.	Os procedimentos desenvolvidos para fazer face ao referido risco foram os seguintes: - Validar o valor do rendimento contabilizado associado ao contrato de concessão com a EDP face às disposições contratuais e aos procedimentos contabilísticos adotados; - Obter os consumos de água referentes ao 4º trimestre de 2021 e concluir sobre se os rendimentos contabilizados estão adequadamente periodificados;

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	<ul style="list-style-type: none"> - Verificar que as tarifas consideradas para efeito da contabilização do rédito são as que estão aprovadas; - Confrontar os consumos de água reportados no balanço hídrico com as quantidades de água faturadas; - Obter explicações para consumos de água que não se tenham traduzido em faturação; - Validar a adequação das divulgações apresentadas no Anexo.
Riscos de distorção material mais significativos	Resposta do auditor a esses riscos
4) Provisão IFRIC 12	
Conforme divulgado na nota 20.2 do Anexo, a EDIA tem reconhecida uma provisão, no âmbito da IFRIC 12, para fazer face às obrigações decorrentes do contrato de concessão celebrado com o Estado em 2007 de manter/conservar, ao longo do período de concessão (75 anos, até 2082), as infraestruturas que fazem parte do Empreendimento de Fins Múltiplos de Alqueva. A EDIA contratou o LNEC, entidade com especiais competências cometidas pelo Regulamento de Segurança de Barragens, para efetuar um estudo de valorização das infraestruturas em causa, o qual foi complementado pelos Serviços da EDIA com a quantificação da provisão. Considerando que estamos perante uma estimativa de gastos, existe o risco de inadequada valorização do passivo.	<p>Os procedimentos de auditoria incluíram:</p> <ul style="list-style-type: none"> - Acompanhamento, em 2020, das sessões de apresentação do estudo efetuado pelo LNEC; - Análise, em 2020, do referido estudo e dos pressupostos utilizados no mesmo; - Validação dos cálculos efetuados e dos pressupostos utilizados para a quantificação e atualização da provisão; - Acompanhamento da monitorização do estudo face às intervenções realizadas e programadas; - Verificação da adequação das divulgações apresentadas nas demonstrações financeiras.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa da Entidade de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia;
- elaboração do relatório de gestão e do relatório do governo societário nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorção material devido a fraude ou a erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e

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- avaliação da capacidade da Entidade de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira da Entidade.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno da Entidade;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluimos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade da Entidade para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém acontecimentos ou condições futuras podem levar a que a Entidade descontinue as suas atividades;
- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria;
- das matérias que comunicamos aos encarregados da governação, incluindo o órgão de fiscalização, determinamos as que foram as mais importantes na auditoria das demonstrações

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financeiras do ano corrente e que são as matérias relevantes de auditoria. Descrevemos essas matérias no nosso relatório, exceto quando a lei ou regulamento proibir a sua divulgação pública;

- declaramos ao órgão de fiscalização que cumprimos os requisitos éticos relevantes relativos à independência e comunicamos todos os relacionamentos e outras matérias que possam ser percebidas como ameaças à nossa independência e, quando aplicável, as respetivas salvaguardas.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras e as verificações previstas nos números 4 e 5 do artigo 451.º do Código das Sociedades Comerciais na matéria de governo societário.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o relatório de gestão

Dando cumprimento ao artigo 451º, nº 3, al. e) do Código das Sociedades Comerciais, exceto quanto aos possíveis efeitos da matéria referida no primeiro parágrafo da secção “Bases para a opinião com reserva”, somos de parecer que o relatório de gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras auditadas e, tendo em conta o conhecimento e apreciação sobre a Entidade, não identificámos incorreções materiais.

Sobre o relatório de governo societário

Dando cumprimento ao artigo 451º, nº 4, do Código das Sociedades Comerciais, somos de parecer que o relatório de governo societário inclui os elementos exigíveis à Entidade nos termos do artigo 245º-A do Código dos Valores Mobiliários, não tendo sido identificadas incorreções materiais na informação divulgada no mesmo, cumprindo o disposto nas alíneas c), d), f), h), i) e m) do referido artigo.

Sobre os elementos adicionais previstos no artigo 10º do regulamento (EU) nº 537/2014

Dando cumprimento ao artigo 10º do Regulamento (EU) nº 537/2014 do Parlamento Europeu e do Conselho, de 16 de abril de 2014, e para além das matérias relevantes de auditoria acima indicadas, relatamos ainda o seguinte:

- Fomos nomeados revisores oficiais de contas da Entidade pela primeira vez na assembleia geral de acionistas realizada em 19 de dezembro de 2016 para o período final do mandato compreendido entre 2015 e 2017. Em 30 de maio de 2019, através de deliberação social unânime do acionista único da EDIA, fomos eleitos para acompanhar o triénio 2018-2020. Não tendo sido deliberada nomeação dos Órgãos Sociais na Assembleia Geral de aprovação de contas de 2020, ocorrida em 1 de fevereiro de 2022, mantivemo-nos em funções.
- O órgão de gestão confirmou-nos que não tem conhecimento da ocorrência de qualquer fraude ou suspeita de fraude com efeito material nas demonstrações financeiras. No planeamento e execução da nossa auditoria de acordo com as ISA mantivemos o ceticismo profissional e concebemos procedimentos de auditoria para responder à possibilidade de distorção material das demonstrações financeiras devido a fraude. Em resultado do nosso trabalho não identificámos qualquer distorção material nas demonstrações financeiras devido a fraude.
- Confirmamos que a opinião de auditoria que emitimos é consistente com o relatório adicional que preparámos e entregámos ao órgão de fiscalização da Entidade em 30 de março de 2022.

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- Declaramos que não prestámos quaisquer serviços proibidos nos termos do artigo 5º do Regulamento (EU) nº 537/2014, do Parlamento Europeu e do Conselho, de 16 de abril, e que mantivemos a nossa independência face à Entidade durante a realização da auditoria.
- Informamos que, para além da auditoria, não prestámos à Entidade quaisquer outros serviços.

Lisboa, 31 de março de 2022

RCA – Rosa, Correia & Associados, SROC, S.A.
representada por Paulo Fernando da Silva Pereira
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RELATÓRIO DE AUDITORIA

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião com reserva

Auditámos as demonstrações financeiras anexas da EDIA - Empresa de Desenvolvimento e Infra-estruturas do Alqueva, SA (a Entidade) que compreendem a demonstração da posição financeira em 31 de dezembro de 2021 (que evidencia um total de 777 588 821 euros e um total de capital próprio de 90 609 953 euros, incluindo um resultado líquido negativo de 9 855 509 euros), a demonstração do rendimento integral, a demonstração das alterações no capital próprio e a demonstração dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, exceto quanto aos possíveis efeitos da matéria referida na secção “Bases para a opinião com reserva”, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira da EDIA - Empresa de Desenvolvimento e Infra-estruturas do Alqueva, SA em 31 de dezembro de 2021 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia.

Bases para a opinião com reserva

As “Outras contas a receber” integram 231 134 303 euros a receber da Direção-Geral de Agricultura e Desenvolvimento Rural (DGADR). Este montante inclui: (i) 70 794 862 euros referentes à denominada “Infraestrutura 12”, relativamente à qual a EDIA formalizou com a DGADR, em abril de 2006, um contrato de cessão da gestão, exploração, manutenção e conservação por um prazo de 30 anos; e (ii) 160 339 441 euros correspondentes ao valor dos investimentos efetuados pela EDIA nas infraestruturas da rede secundária do Empreendimento de Fins Múltiplos de Alqueva (EFMA) que já se encontram concluídas, líquidas dos subsídios associados a esses investimentos, na sequência da entrega formal dessas infraestruturas à DGADR e do contrato celebrado em 8 de abril de 2013, que atribui à EDIA a concessão da gestão, exploração, manutenção e conservação destas infraestruturas até 31 de dezembro de 2020, com prorrogação do prazo por mais 10 anos, aprovado por Despacho da Sra. Ministra da Agricultura, aguardando-se ainda pela formalização da adenda ao contrato, conforme divulgado na nota 16 do Anexo às demonstrações financeiras. Não está ainda esclarecida qual a forma de ressarcimento da EDIA pela parte do investimento que não foi subsidiada, que está dependente de decisão do Estado Português, subsistindo assim uma importante incerteza quanto à forma e ao valor de realização dos referidos 231 134 303 euros, bem como dos 13 450 873 euros de ativos (“Inventários”) e dos 380 450 euros de passivos (“Diferimentos”) associados às infraestruturas da rede secundária ainda por concluir. Neste contexto, face às incertezas referidas, bem como ao facto da DGADR não reconhecer o referido saldo em dívida, não nos é possível aferir quanto às perspetivas de realização deste ativo, situação que configura uma limitação ao âmbito e profundidade do nosso trabalho.

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A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras” abaixo. Somos independentes da Entidade nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião com reserva.

Ênfase

Conforme divulgado na nota 18 do Anexo às demonstrações financeiras, o capital próprio da EDIA ascende, em 31 de dezembro de 2021, a 90 609 953 euros, incluindo o efeito dos aumentos de capital de 52 823 790 euros efetuados em 2021 e um resultado líquido do período negativo de 9 855 509 euros, sendo o capital social de 913 158 750 euros, pelo que, estando perdida metade do capital, a EDIA enquadra-se na situação prevista no artigo 35º do Código das Sociedades Comerciais. Neste contexto, as demonstrações financeiras foram preparadas tendo por base a continuidade das operações, a qual, face às atuais condições da Empresa, depende fundamentalmente da manutenção do apoio e suporte financeiro do Estado Português (Acionista Único), que se tem consubstanciado na realização de sucessivos aumentos de capital, cobertura de prejuízos e prestação de garantias no âmbito de financiamentos obtidos. Salientamos ainda que, na nota 32 do Anexo às demonstrações financeiras é divulgada a recente situação de guerra na Ucrânia, com potenciais efeitos adversos nas economias portuguesa e europeia, quer pela própria guerra, quer ainda pelas sanções aplicáveis à Federação Russa e à Bielorrússia e outros efeitos colaterais, os quais estão a ser acompanhados e monitorizados pelo Conselho de Administração, sendo sua convicção que essas circunstâncias não colocam em causa a continuidade das operações da Empresa. A nossa opinião não é modificada em relação a estas matérias.

Matérias relevantes de auditoria

As matérias relevantes de auditoria são as que, no nosso julgamento profissional, tiveram maior importância na auditoria das demonstrações financeiras do ano corrente. Essas matérias foram consideradas no contexto da auditoria das demonstrações financeiras como um todo, e na formação da opinião, e não emitimos uma opinião separada sobre essas matérias.

Para além da matéria mencionada na secção das “Bases para a opinião com reserva”, considerámos na auditoria as seguintes matérias relevantes:

Matérias relevantes de auditoria	Síntese da resposta de auditoria
1. Imparidade dos ativos intangíveis	
Os ativos intangíveis representam 41% do ativo e correspondem essencialmente ao segmento “Energia”, uma vez que, conforme divulgado nas notas 3.1. c), 8.4 e 19 do Anexo, a EDIA tem vindo a concluir, na sequência de estudos de imparidade	A resposta de auditoria envolveu, em síntese, a realização dos seguintes procedimentos: (i) Verificação da correta alocação dos investimentos do Empreendimento de Fins Múltiplos de Alqueva (EFMA) aos vários



Matérias relevantes de auditoria	Síntese da resposta de auditoria
realizados que os fluxos de caixa futuros associados ao segmento “Água” são insuficientes para recuperar o investimento já realizado naquele segmento, tendo reconhecido desde então perdas por imparidade num valor acumulado (líquido dos subsídios respetivos) de 1 568 milhões de euros. A relevância desta matéria advém da complexidade e do nível de julgamento necessário à apreciação dos pressupostos e dos fluxos de caixa estimados do segmento “Água”, bem como a correta alocação dos investimentos afetos aos subsídios.	segmentos e tipos de infraestruturas (rede secundária, segmento “água” ou segmento “energia”); (ii) Validação da razoabilidade dos pressupostos utilizados e dos fluxos de caixa previstos; (iii) Comparação dos valores previstos no teste de imparidade com a performance financeira efetiva das atividades do segmento “água”, e; (iv) Verificação da adequacidade das divulgações apresentadas nas notas anexas às demonstrações financeiras.
2. Reconhecimento e classificação dos subsídios	
Os subsídios ao investimento, conforme explicitado nas notas 3.1. n) e 17.2.2. do Anexo, têm um tratamento contabilístico diferenciado consoante o fim a que os mesmos se destinam (rede secundária, segmento “água” ou segmento “energia”), com impactos significativos nas demonstrações financeiras. Desta forma, a adequada alocação dos subsídios às várias componentes do investimento e consequente cumprimento dos critérios de reconhecimento definidos, constitui uma área significativa de auditoria.	A resposta de auditoria envolveu, essencialmente, os seguintes procedimentos: (i) Revisão da reconciliação entre as quantias de subsídios evidenciados na contabilidade e a informação do departamento de planeamento e controlo de investimentos, para cada um dos segmentos, “Água” e “Energia”; (ii) Para os principais investimentos, análise da adequacidade dos subsídios que lhes estão afetos e período de reconhecimento, em conformidade com o período de vida útil estimado dos bens; (iii) Validação dos mapas de controlo dos subsídios, recebidos e por receber, e da sua concordância com os pedidos de pagamento de subsídios, e; (iv) Verificação da adequacidade das divulgações apresentadas nas notas anexas às demonstrações financeiras.
3. Mensuração de provisões	
A provisão para fazer face às necessidades futuras com grandes reparações e substituições nas infraestruturas do Empreendimento de Fins Múltiplos de Alqueva (EFMA), no que respeita às barragens do Alqueva e Pedrogão e à rede primária dos três subsistemas Alqueva, Ardila e Pedrogão, relativo ao segmento “Água”, que se prevê que venham a ser efetuadas ao longo do período da concessão, ascende a 34 424 839 euros. As divulgações relacionadas com esta matéria estão incluídas nas notas 3.1.m) e 20.2. do anexo às demonstrações financeiras. A mensuração da provisão, que segue as disposições da IFRIC 12, foi atualizada em 2020 tendo por base os resultados do estudo de previsão de necessidades de investimento em reabilitação nas infraestruturas do EFMA, desenvolvido por um perito contratado	A resposta de auditoria envolveu, essencialmente, os seguintes procedimentos: (i) Avaliação da independência, objetividade e qualificação do perito externo utilizado pelo órgão de gestão; (ii) Compreensão e análise crítica dos pressupostos técnicos e financeiros utilizados na mensuração da provisão; (iii) Indagações junto do órgão de gestão quanto à consistência e validade técnica dos pressupostos e estimativas e quanto à documentação que suporta os pressupostos; (iv) Verificação dos cálculos dos encargos futuros esperados com as grandes reparações e substituições das infraestruturas;



Matérias relevantes de auditoria	Síntese da resposta de auditoria
pela EDIA, baseando-se num conjunto novo de pressupostos e estimativas de natureza financeira, operacional e técnica. A consideração desta matéria como relevante para a auditoria tem por base o risco associado à utilização de pressupostos, estimativas e julgamentos significativos.	(v) Confirmação dos procedimentos de monitorização das intervenções estimadas e de identificação das intervenções realizadas, considerados para efeitos da utilização/atualização do valor da provisão, e; (vi) Conferência detalhada das divulgações efetuadas nas demonstrações financeiras.
4. Reconhecimento do rédito	
A EDIA divulga nas notas 3.1.o) e 13.2. do Anexo às demonstrações financeiras as bases adotadas no reconhecimento do rédito. Os procedimentos de controlo instituídos para garantir, face à dispersão da rede de distribuição de água, a plenitude da faturação dos fornecimentos de água, bem como a necessidade de estimativas do rédito no último trimestre do ano a faturar no ano seguinte, constituem fatores de risco que nos levam a considerar o reconhecimento do rédito como área significativa de auditoria.	A resposta de auditoria envolveu, essencialmente, os seguintes procedimentos: (i) Verificação da adequacidade do registo dos rendimentos que decorrem do contrato de concessão com a EDP, em conformidade com as disposições contratuais estabelecidas, (ii) Análise dos procedimentos de leitura dos contadores e registo dos consumos de água, sua integração na aplicação informática da contabilidade e respetiva faturação; (iii) Validação da concordância da faturação dos primeiros três trimestres do ano e das estimativas de rendimento do último trimestre do ano com a informação dos consumos inserida na aplicação informática de gestão dos regantes; (iv) Verificação de que as tarifas consideradas para efeitos da faturação e, consequentemente, para contabilização do rédito, são as que estão aprovadas, e; (v) Confirmação externa de saldos, para uma amostra de cientes.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

O órgão de gestão é responsável pela: (i) preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa da Entidade de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia; (ii) elaboração do relatório de gestão e do relatório de governo societário nos termos legais e regulamentares aplicáveis; (iii) criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou a erro; (iv) adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e (v) avaliação da capacidade da Entidade de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.



O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira da Entidade.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- (i) identificamos e avaliamos os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- (ii) obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno da Entidade;
- (iii) avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- (iv) concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade da Entidade para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que a Entidade descontinue as suas atividades;
- (v) avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;



- (vi) comunicamos com os encarregados da governação, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria;
- (vii) das matérias que comunicamos aos encarregados da governação, determinamos as que foram as mais importantes na auditoria das demonstrações financeiras do ano corrente e que são as matérias relevantes de auditoria. Descrevemos essas matérias no nosso relatório, exceto quando a lei ou regulamento proibir a sua divulgação pública.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras e das verificações previstas nos números 4 e 5 do artigo 451º do Código das Sociedades Comerciais na matéria de governo societário.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o relatório de gestão

Somos de parecer que o relatório de gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras auditadas e, tendo em conta o conhecimento e apreciação sobre a Entidade, não identificámos incorreções materiais.

Sobre o relatório de governo societário

Somos de parecer que o relatório de governo societário inclui os elementos exigíveis à Entidade nos termos do artigo 29.º-H do Código dos Valores Mobiliários, não tendo sido identificadas incorreções na informação divulgada do mesmo, cumprindo o disposto nas alíneas c), d), f), h), i) e l) do n.º 1 do referido artigo.

Lisboa, 31 de Março de 2022

Gonçalo Raposo Cruz,
(ROC nº 1189, inscrito na CMVM sob o nº 20160800)
em representação de BDO & Associados - SROC

REPORT AND OPINION OF THE SUPERVISORY BOARD



Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A.

Conselho Fiscal

Relatório Anual e Parecer do Conselho Fiscal

Relatório e Contas do Exercício de 2021 da EDIA, S.A.

1. INTRODUÇÃO

Nos termos das disposições legais e estatutárias, designadamente do previsto na alínea b) do artigo 19.º dos atuais Estatutos da EDIA – Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A., doravante designada abreviadamente como EDIA, e nos artigos 420.º e 452.º do Código das Sociedades Comerciais (CSC), cumpre ao Conselho Fiscal (CF) apresentar o relatório da ação fiscalizadora e emitir parecer sobre o Relatório de Gestão e Contas e a proposta de aplicação de resultados, relativos ao exercício findo em 31 de dezembro de 2021, atenta a Certificação Legal emitida pelo Revisor Oficial de Contas (ROC) e às informações constantes no Relatório Adicional de Auditoria. Acresce ainda as conclusões contidas no Relatório de Auditoria do Auditor Externo sobre as demonstrações financeiras desse exercício, as quais são consistentes com as conclusões da revisão legal efetuada às contas da EDIA.

Refere-se, ainda a título de enquadramento prévio, que em 2021 mantiveram-se alguns condicionalismos do ano anterior que resultaram da pandemia COVID-19 (SARS-COV-2) e que continuaram a afetar o desempenho da atividade económica à escala mundial, incluindo Portugal, com especial destaque no primeiro trimestre de 2021, dando sinais, a partir daí, de um regresso progressivo à normalidade.

Neste contexto, a economia portuguesa registou em 2021 uma trajetória de recuperação económica, com especial destaque no quarto trimestre de 2021, tendo crescido 4,9%, acima do estimado, depois de uma queda histórica de 8,4% em 2020.

Conforme dados divulgados pelo INE, o PIB aumentou 5,7% em 2021 (em 2020 diminuiu 6,7%), tendo as exportações e a procura interna sido os principais impulsionadores para o referido aumento. Realça-se que a procura interna aumentou 5%, tendo o consumo privado registado um crescimento de 4,4%, contudo, ainda longe de recuperar a totalidade da perda de 2020 que atingiu os 7,1%.

Apesar da inversão da trajetória registada em 2020 e do crescimento acima do esperado, o ano 2021 não foi o ano em que a economia portuguesa recuperou para níveis pré-pandemia.

Assim, tendo em conta as referidas circunstâncias excecionais decorrentes da nova realidade gerada pela pandemia global provocada pela COVID-19, importa desde já assinalar que, conforme consta do Relatório, a EDIA manteve, no essencial, as atividades vitais para o bom funcionamento da Empresa, embora se tenha assistido nas atividades associadas à exploração turística e hoteleira ainda a fortes constrangimentos, nomeadamente, com o encerramento temporário das mesmas nos primeiros meses do ano, as quais foram recuperando, a partir do segundo trimestre, à medida que se assistiu ao levantamento parcial e faseado das restrições.

Na decorrência do acima referido, não se registou nenhum impacto materialmente relevante ao nível nas demonstrações financeiras da Empresa. Não obstante, e conforme consta do Relatório, foram reconhecidos gastos não previstos, num total de € 8,2 milhares, decorrentes dos efeitos da pandemia, os quais foram, parcialmente, compensados pela redução de alguns custos variáveis, tais como, custos com combustíveis, portagens, deslocações e estadas e, ainda, despesas de representação. No que concerne às receitas, a Empresa assinala uma redução dos rendimentos relativos à atividade turística, em particular, uma diminuição das prestações de serviços relativas ao Parque Natural de Noudar (PNN) em cerca de € 79,4 milhares.



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O Relatório anual aborda ainda a atual situação de guerra na Ucrânia e o respetivo impacto em termos económicos a nível mundial, referindo que, de acordo com o Fundo Monetário Internacional (FMI), e para além do conflito armado em si, as sanções impostas à Rússia e seus parceiros *"terão também um impacto substancial na economia global e nos mercados financeiros, com efeitos colaterais para outros países"*. Assim sendo, o início do conflito na Ucrânia, a 24 de fevereiro de 2022, constitui um fator decisivo, gerador de uma incerteza extraordinária, que irá condicionar a atrás referida recuperação económica nos próximos tempos, a qual estava já em manifesto abrandamento no final de 2021, mesmo antes do início da invasão Russa, devido, sobretudo, à crise energética e à crise de preços e disponibilidade de outras matérias-primas que já se vinha a sentir de forma efetiva desde o início do ano passado.

Em conformidade com as orientações do acionista Estado, nomeadamente as constantes no ofício-circular da Direção-Geral do Tesouro e Finanças (DGTF) n.º 359, de 20 de janeiro de 2022, que contém as instruções sobre o processo de prestação de contas referente a 2021 das empresas públicas não financeiras que sejam sociedades anónimas, compete ao CF o seguinte:

- Aferir o cumprimento das orientações legais vigentes para o Setor Empresarial do Estado (SEE), designadamente o cumprimento das orientações relativas às remunerações vigentes em 2021; e
- Aferir o cumprimento da apresentação do Relatório anual de Boas Práticas do Governo Societário (RGS), conforme previsto no n.º 2 do artigo 54.º do Regime Jurídico do Sector Público Empresarial (RJSPE), aprovado pelo Decreto-Lei n.º 133/2013, de 3 de outubro, na sua atual redação, do qual deve constar informação atual e completa sobre aquelas matérias nos termos previstos do n.º 1 da citada disposição legal.

2. ENQUADRAMENTO

A EDIA é uma empresa pública, que se rege pelo direito privado, com as especificidades dos seus Estatutos e do RJSPE. O seu capital social, em 31 de dezembro de 2021, é de € 913.158.750 (composto por 182.631.750 ações), integralmente detido pelo Estado Português, através da DGTF, encontrando-se totalmente subscrito e realizado.

A Empresa encontra-se ainda sujeita ao Código de Governo das Sociedades definido pela Comissão do Mercado de Valores Mobiliários (CMVM), pelo facto de ser emitente de obrigações cotadas em bolsa.

A Empresa tem por finalidade a utilização do domínio público hídrico afeto ao Empreendimento de Fins Múltiplos de Alqueva (EFMA), para fins de rega e exploração hidroelétrica; a conceção, execução e construção das infraestruturas que integram o sistema primário do EFMA, bem como a sua gestão, exploração, manutenção e conservação, a conceção, execução, e a construção das infraestruturas que integram a rede secundária afeta ao empreendimento, em representação do Estado, mediante contrato de concessão celebrado a 8 de abril de 2013¹.

Nos termos do referido contrato, podem ser afetas à concessão outras infraestruturas que venham a ser integradas no sistema primário do EFMA, bastando para o efeito a celebração de adendas.

De referir que no dia 13 de dezembro de 2021 foi assinada a Adenda ao outro Contrato de Concessão, o relativo à utilização dos recursos hídricos para captação de águas destinadas à rega e à produção de energia elétrica no sistema primário do EFMA, celebrado a 17 de outubro de 2007, e que teve por objeto integrar na referida concessão, as novas infraestruturas construídas ou a construir, associadas às utilizações do domínio público hídrico, nos termos previsto no n.º 3 da cláusula 6.ª do Contrato e que passam a integrar o sistema primário do

¹ Com o término deste contrato em dezembro de 2020, foi aprovado através de Despacho da Ministra da Agricultura, de 24 de setembro de 2020, quanto ao prazo da concessão relativa à gestão, exploração, manutenção e conservação das infraestruturas da rede secundária, a prorrogação por mais 10 anos, limite máximo do prazo da concessão da utilização privativa dos recursos hídricos do domínio público, obtido ao abrigo do disposto na Lei da Água, aguardando-se a formalização da respetiva adenda ao contrato.



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Empreendimento. De notar que com aquela Adenda ao contrato de concessão da rede primária, procedeu-se à integração formal da barragem do Alvito no âmbito do EFMA.

No que respeita ao relatório de gestão e às demonstrações financeiras da EDIA relativos ao exercício de 2021, submetidos à apreciação deste CF, os mesmos foram aprovados pelo Conselho de Administração (CA) e elaborados em conformidade com os artigos 65.º, 66.º e 66.º-A do CSC. Refira-se que o relatório de gestão em apreço inclui a declaração prevista no artigo 245.º do Código dos Valores Mobiliários (CMV).

Conforme é referido no Relatório, em 31 de dezembro de 2021, a EDIA detinha participações financeiras noutras empresas, mais concretamente, no Centro Operativo e de Tecnologia do Regadio (9,82%), na Agência de Desenvolvimento Regional do Alentejo, S.A. (4,11%) e nas Águas do Vale do Tejo, S.A. (0,30%). Quanto à participação detida na Lusofuel - Produção de Biocombustíveis e Derivados, S.A. (10%), que já estava em imparidade total², importa dar nota que com o registo do encerramento da liquidação e cancelamento da matrícula daquela sociedade, a mesma foi extinta e a EDIA procedeu assim à eliminação da sua participação de 10% sobre aquela empresa. Cabe referir que nenhuma das mencionadas participações é dominante ou significativa, pelo que se encontram reconhecidas nas demonstrações financeiras pelo custo de aquisição deduzido de eventuais perdas por imparidade reconhecidas até ao final de cada exercício económico.

Refere-se ainda que a EDIA integra o perímetro das Administrações Públicas para efeitos de Contas Nacionais, nos termos dos Regulamentos da União Europeia e do Sistema Europeu de Contas e Regionais (SEC 2010).

3. SÍNTESE DA AÇÃO DESENVOLVIDA PELO CF

No âmbito das suas funções, o CF acompanhou, durante o exercício, os aspetos mais relevantes da atividade da EDIA, a sua evolução, e, com a frequência e extensão consideradas aconselháveis e adequadas, efetuou várias reuniões, não tendo tomado conhecimento de qualquer situação que não respeitasse os Estatutos e os preceitos legais aplicáveis.

Neste contexto, destacam-se, em particular, as seguintes atividades:

- Acompanhou a evolução da atividade e gestão da Empresa através, nomeadamente, dos relatórios trimestrais e semestral do seu CA, de contactos e reuniões efetuadas com o mesmo e com o ROC, tendo solicitado e obtido os esclarecimentos que foram considerados necessários;
- Recebeu a nova versão do PAO 2021 (PAO revisto), remetida para conhecimento a este CF pelo CA (cfr. Despacho n.º 105/2021-SET, de 20 de fevereiro, exarado sobre o relatório de análise n.º 13/2021, de 29 de janeiro, da UTAM, nomeadamente no que se refere à reformulação das fontes de financiamento, em função do que se encontra aprovado no OE para 2021)
- Analisou o Relatório de Gestão e Contas, bem como a informação financeira referente ao exercício de 2020, incluindo o relatório de governo societário, e emitiu os respetivos pareceres, em cumprimento das obrigações legais aplicáveis;
- Analisou e emitiu os respetivos pareceres sobre os relatórios trimestrais e semestral do exercício de 2021, tendo em conta as conclusões e recomendações de auditoria;
- Efetuou, em articulação com o ROC, um ponto de situação referente ao processo de auditoria às contas do 1.º semestre de 2021, tendo sido discutidas algumas das principais matérias, tal como sucede com a

² Inicialmente reconhecida ao custo pelo montante de € 50.000,00.



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provisão para a IFRIC 12, a aplicação da IFRS 16 (Locações) e o IVA no âmbito da faturação da distribuição de água com periodicidade diferente do mensal; e

- Contou com os esclarecimentos prestados pelos serviços da EDIA, sendo mais frequentes com as direções financeira, de planeamento e controlo, indispensáveis para atividade do CF, nomeadamente para a emissão dos seus pareceres ao longo do ano de 2021.

Assim sendo, na prossecução dos trabalhos que veio realizando ao longo do ano de 2021 e nos termos das suas competências, o CF analisou o Relatório de Gestão e Contas referente ao exercício de 2021 (Relatório), tendo sido aferido, igualmente, a apresentação de um Relatório autónomo de Boas Práticas de Governo Societário, como previsto no n.º 1 do artigo 54.º do RJSPE.

Adicionalmente, o CF apreciou a Certificação Legal de Contas e o Relatório Anual e Adicional de Auditoria emitidos pelo ROC, bem como o Relatório de Auditoria do Auditor Externo, ambos sobre as referidas demonstrações financeiras de 2021, com cujas conclusões concorda, e que inclui uma opinião com reserva e uma ênfase.

Tal como em exercícios anteriores, os auditores formularam de novo uma opinião com reserva relativamente à incerteza quanto à data e ao modo como a EDIA irá recuperar os créditos contabilizados na rubrica "Outras contas a receber" decorrente da dívida imputada à Direção-Geral de Agricultura e Desenvolvimento Rural (DGADR), e que corresponde aos investimentos na rede secundária realizados por conta do Estado e excluídos do atual contrato de concessão celebrado em 2007, no montante de € 160,3 milhões, e a denominada Infraestrutura 12, no montante de € 70,8 milhões, à data de 31 de dezembro de 2021, o que se consubstancia num saldo acumulado líquido (deduzidos dos subsídios recebidos) de € 231,1 milhões (€ 209,4 milhões em 31 de dezembro de 2020).

Os auditores assinalam igualmente o facto da rubrica "Inventários" registar, no final do ano de 2021, um montante de € 13,5 milhões, referentes a novos investimentos em curso na rede secundária e por conta dos quais foram recebidos subsídios de € 0,4 milhões. Assim, quando concluídos, serão acrescidos o respetivo valor líquido ao referido saldo em dívida imputado à DGADR.

Por último merece ainda destaque, a ênfase relativa ao facto de a Empresa enquadrar-se na situação prevista no artigo 35.º do CSC, muito embora os sucessivos aumentos de capital realizados ao longo dos últimos anos pelo acionista Estado, não sendo expectável, na opinião dos auditores, que tal apoio deixe de continuar a existir.

4. ATIVIDADES DESENVOLVIDAS EM 2021 PELA EDIA

Resultante do enquadramento referido, a operação da Empresa envolveu a realização de um conjunto de atividades ao abrigo de garantia contratual das obras, conforme mencionado no Relatório em apreciação, destacando-se, entre outras, as intervenções realizadas na central hidroelétrica de Odivelas e nos circuitos hidráulicos de Pedrogão – Margem Esquerda e Calções-Machados, bem como os trabalhos no âmbito da 2.ª fase do empreendimento.

Na programação dos investimentos e financiamentos do EFMA, a EDIA prossegue os objetivos atribuídos à Empresa pelo acionista Estado, tendo em conta os recursos financeiros disponíveis, designadamente o apoio do acionista, através de dotações para aumento do capital social, empréstimos³ e o recurso aos fundos comunitários acessíveis nos diversos programas operacionais destinados ao EFMA.

É de destacar, neste âmbito, os aumentos de capital social pelo acionista Estado, em 4 de março, 8 de junho e 9 de agosto de 2021, no montante, respetivamente, de € 40.644.705 (emissão de 8.128.941 novas ações, com o

³ Somente possível junto de instituições financeiras de carácter multilateral, como BEI e CEB, como dispõe o n.º 1 do artigo 29.º do RJSPE.



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valor nominal de € 5 cada, realizadas em numerário), de € 4.500.000 (emissão de 900.000 novas ações, com o valor nominal de € 5 cada, realizadas em numerário) e de € 7.679.085 (emissão de 1.535.817 novas ações, com o valor nominal de € 5 cada, realizadas em numerário).

Note-se que as referidas dotações de capital efetuadas pelo acionista Estado visaram assegurar as necessidades de financiamento relativas ao reembolso de empréstimos (€ 34 145 490), mas também o financiamento do investimento realizado em 2021 no âmbito do PNRégadios (€ 18.001.125) que, por decisão da tutela financeira, a EDIA não pode contar com os subsídios a fundo perdido previstos inicialmente, conforme descrito mais adiante⁴.

Tal como salientado em relatórios anteriores, o EFMA, localizado em pleno Alentejo, representa o maior investimento nacional hidroagrícola realizado em Portugal, cujo investimento, realizado em 2021 (excluindo as capitalizações de encargos de estrutura e financeiros) ascendeu a € 27.912,50 milhares⁵, elevando o total do investimento no EFMA desde 1995 até ao final de 2021 para € 2.428.852,65 milhares não incluindo as capitalizações de encargos de estrutura e financeiros, beneficiando uma área de influência de 10.000km², distribuídos por 20 concelhos daquela região, incluindo 69 barragens, açudes e reservatórios, cerca de 2.000 Km de canais e condutas e, ainda, 46 estações elevatórias, 5 mini hídricas e uma central fotovoltaica.

Como referido, concluída a 1.ª fase dos investimentos do EFMA, coloca-se à EDIA o desafio de atingir a exploração dos cerca de 120.000 ha de área beneficiada, correspondente à totalidade dos perímetros de rega afetos à 1.ª fase do Empreendimento, bem como executar a infraestruturação da 2.ª fase, que visa aumentar o perímetro do Alqueva dos atuais 120.000 ha para 170.000 ha. Com efeito, a EDIA estima que o investimento adicional necessário será superior a 235 milhões de euros, num horizonte temporal de 5 anos. Relembre-se que, no final de 2017 foi aprovado, pelo Banco Europeu de Investimento (BEI) e pelo Banco de Desenvolvimento do Conselho da Europa (CEB), empréstimos à República Portuguesa que permitem viabilizar através do PNR o financiamento a fundo perdido da construção da 2.ª fase de infraestruturação do EFMA.

Não obstante, os primeiros dez projetos de investimentos previstos no âmbito do PAO 2020 referentes à 2.ª fase do EFMA, num total de cerca de € 95 milhões, com financiamento aprovado no âmbito do PNR, viram, como já referido anteriormente, alterada a sua fonte de financiamento para dotações de capital o que, inevitavelmente, teve impacto negativo nos resultados tal como no ano anterior, pelo consequente reconhecimento de novas imparidades num montante de € 17.841.728 milhares (em 2020 foram de € 16.879,18 milhares), o que se manterá nos próximos anos, caso se mantenha a referida decisão da tutela financeira.

Em termos de exploração, o número de adesões (e consumos de água) tem continuado a evoluir positivamente, tendo passado de 103.232ha de área inscrita em 2020 para 108.158ha em 2021, representando um aumento nas adesões de 4,8% (7.926 ha), porém, longe de esgotar a capacidade instalada. Em termos de consumo de água nos perímetros do EFMA, verificou-se em 2021 um total de 316,1 hm³, o que, em termos gerais, representa uma ligeira subida face ao período homólogo de 2020 (282,56 hm³).

No entanto, se os abastecimentos a albufeiras existentes e as captações diretas forem considerados, o volume global de água distribuída ascenderá a 369,88hm³, o que, comparativamente com o ano anterior, regista uma diminuição de 25,03 hm³, isto é, cerca de 6,34% de decréscimo.

Já no âmbito da atual concessão, este mesmo volume de água distribuído em 2021 representa cerca de 59,66% do volume de água afeto aos usos prioritários definidos no contrato de concessão (620 hm³) e cerca de 21,3% do volume útil da albufeira de Alqueva no final de 2021 (2.255 hm³).

⁴ Por esta razão, o PAO para 2021 teve que ser revisto em conformidade.

⁵ € 1.492,67 milhares respeitante à 1.ª fase do EFMA e € 26.419,83 milhares no âmbito da 2.ª fase.



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Ainda neste âmbito, importa realçar a variação do volume útil da albufeira de Alqueva ocorrida ao longo do ano de 2021, o qual apresentou um aumento de 521hm³, quando comparado entre a cota registada a 1 de janeiro e a cota a 31 de dezembro de 2021, estando esta última fixada na cota 152⁶.

Assim, estando concluída a 1.ª fase do EFMA, encontram-se plenamente operacionais os 120 mil ha de área de regadio associados àquela fase, sendo que 2021 foi o ano de desenvolvimento das empreitadas de construção da ligação do sistema de adução de Morgavel, do circuito hidráulico e bloco de Viana do Alentejo (rede primária), do bloco de Cuba – Odívelas e do bloco de Évora (rede secundária).

Ao nível da produção de energia com recurso a fontes de energia renováveis, a EDIA, durante 2021, manteve a aposta na exploração de centrais fotovoltaicas instaladas nos espelhos de água junto às principais estações elevatórias da rede primária do EFMA, com o objetivo de reduzir os custos energéticos das suas infraestruturas e poder produzir a médio prazo energia suficiente para as suas necessidades, estimando assegurar, no longo prazo, a sustentabilidade do projeto Alqueva e a descarbonização da atividade de distribuição de água.

De facto, o alargamento da área beneficiada, a par da concretização de projetos de energias renováveis constituem um dos objetivos estratégicos da Empresa, devidamente enquadrados nos objetivos assumidos no Programa do XXIII Governo Constitucional, já que dele consta o compromisso em acelerar a concretização do Plano Nacional Energia e Clima 2030 e o Roteiro para a Neutralidade Carbónica 2050.

Neste âmbito, durante o ano de 2021, continuaram as ações de manutenção e exploração das várias centrais fotovoltaicas e mini-hídricas do Empreendimento.

Ao nível da produção de energia hidroelétrica, as centrais de Alvito, Odívelas, Roxo, Serpa e Pisão produziram, no ano de 2021, 6.591 MWh, o que representa um decréscimo de 44% face ao ano de 2020, justificado sobretudo, segundo a Empresa, pelo menor volume de água aduzido em 2021 para a albufeira de Odívelas. Refira-se que a central hidrelétrica do Roxo se manteve inoperacional mais um ano.

De referir, a este propósito, que apesar de ter sido aprovado um empréstimo pelo CEB (em 2019), no montante de € 45 milhões, para a realização do projeto do parque fotovoltaico de Alqueva⁷, em 2021 foi solicitado à EDIA a análise de cenários alternativos de financiamento. Note-se que o processo de concurso para a contratação deste projeto, apesar dos impactos decorrentes do COVID-19, está terminado e aprovado pela Senhora Ministra da Agricultura, ficando o lançamento do concurso apenas pendente da aprovação do acionista.

Por último, importa destacar ainda as seguintes atividades e outros acontecimentos ocorridos em 2021:

- O desenvolvimento de várias intervenções de manutenção preventiva e corretiva em diversas infraestruturas da rede primária, identificadas no Relatório, tendo, ainda, sido desenvolvidas as atividades normais de exploração das infraestruturas primárias do Empreendimento, de modo a garantir o abastecimento, sem falhas, de água aos diversos blocos e o reforço das afluências próprias das albufeiras de Odívelas e do Roxo, do adutor do Alto Sado, e das estações de tratamento de águas do Enxoé e da Magra;
- Na rede secundária decorreram as ações inerentes à realização da campanha de rega e demais processos, tendo sido assegurada toda a componente de exploração e gestão associada às várias infraestruturas que integram o Empreendimento;

⁶ O que representa, em volume útil, cerca de 55% da capacidade total.

⁷ A EDIA tem um valor por realizar de investimento de cerca de 270 milhões de EUR, sobretudo da 2.ª fase do EFMA e do Projeto Fotovoltaico, com financiamento previsto no PNRégadios e CEB, respetivamente, ou em alternativa por dotações de capital ou empréstimos do Acionista Estado.



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- Continuidade da implementação de programas de monitorização ambiental relativos às diferentes vertentes e fases do EFMA, designadamente, ao nível do estado das massas de água superficiais e subterrâneas, fauna, flora, vegetação e solos, para o sistema Alqueva-Pedrógão e redes primária e secundária do Projeto;
- No âmbito do novo contrato para monitorização da qualidade da água na rede primária do EFMA (início em novembro de 2020), a EDIA tem colaborado com a Administração da Região Hidrográfica do Alentejo (ARH-Alentejo) na recolha de amostras de água para aquela instituição visando dar apoio no cumprimento da Diretiva Quadro da Água (DQA);
- Na sequência da assinatura da 1.ª adenda ao contrato de concessão do EFMA, que entre outros aspetos transfere para a EDIA a albufeira do Alvito, foi elaborada e enviada carta à APA sobre a transferência dos TURH emitidos pela APA, para rega, com origem na albufeira do Alvito;
- Foram emitidas notas de liquidação das captações de água superficial referente aos volumes captados ao longo do 2.º semestre de 2020 e 1.º semestre de 2021, e foram elaboradas fichas técnicas de caracterização das captações existentes no sistema primário do EFMA;
- Foi dada continuidade ao acompanhamento do cumprimento das conclusões operacionais definidas no Estudo das Condições Ambientais no Estuário do Rio Guadiana e Zonas Adjacentes-Condições Operacionais (fevereiro de 2005) e foi enviado à CADC o relatório referente ao ano hidrológico 2020/2021;
- Verificou-se a entrega de um equipamento baseado no método de medição hidroacústica da velocidade da corrente que pode medir velocidades da água de 0,0001 a 4,5 m/s e que permite estimar o caudal em pequenas linhas de água. No 3.º trimestre de 2021 foram efetuadas medições de caudal a jusante do Reservatório R4 do Monte Novo, da barragem do Loureiro e do sistema dos Álamos com o objetivo de aferir o funcionamento daquele equipamento (tendo ainda sido feito o levantamento das potenciais seções de medição do caudal ecológico);
- Houve duas intervenções de arborização da envolvente de albufeiras do EFMA, designadamente a albufeira dos Álamos e das Almeidas, que têm, na sua envolvente, projeto de culturas permanentes de regadio, motivo pelo qual importa criar em ambas uma zona arborizada de interface que possibilite a criação de uma descontinuidade natural e permita servir de faixa ripícola potenciadora da biodiversidade destas massas de água e também de zona filtradora (para melhoria da qualidade da água e redução da poluição difusa); e
- Foi assinado o contrato de financiamento entre a APA e o Fundo Ambiental (a 8 de novembro de 2021). Já o Protocolo entre a APA e a EDIA foi assinado no quarto trimestre de 2021, ficando assim asseguradas as questões administrativas e financeiras que permitem à EDIA iniciar a execução do projeto "AÇÃO Z - Controlo e Erradicação de *Dreissena polymorpha* na Bacia do Sado, EFMA".

Em 2021, foram ainda analisados os processos em tramitação na Empresa, no âmbito do apoio aos requerentes na instrução dos pedidos de licença/concessão de captação de águas superficiais, no contexto do autocontrolo previsto no contrato de concessão do EFMA. No total do período foram recebidos 14 pedidos de captação de água, 5 pedidos de informação prévia (PIP), dos quais foram 5 indeferidos e foram emitidos 3 títulos de utilização de recursos hídricos (TURH).

5. ANÁLISE FINANCEIRA E PATRIMONIAL

Resultados

No exercício findo em 31 de dezembro de 2021, a EDIA apresentou um prejuízo de € 9,9 milhões, representando uma melhoria face ao período homólogo de 28,9% (- € 3,9 milhões) e, portanto, observou-se uma inversão face à

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variação negativa registada no ano anterior (-418,7% face a 2019). Esta melhoria é justificada, essencialmente, pela diminuição dos gastos operacionais (- € 10,38 milhões, ou seja, -13,9%) mas cujo efeito foi parcialmente anulado pela redução verificada também nos rendimentos operacionais (- € 7 milhões, ou seja, -11,1%). Quando comparado com o Plano, a variação dos resultados do exercício é também positiva, mas em muito menor escala (-3,9%, o que corresponde a - € 0,4 milhões). Este desvio ligeiro pode explicar-se, em parte, pelo facto de, tanto os gastos operacionais, como os rendimentos operacionais, registarem variações negativas muito semelhantes de -3,1% e -4,0%, respetivamente, sendo no caso dos gastos, essencialmente, devido aos Fornecimentos e serviços externos (- € 0,4 milhões), aos Gastos com o pessoal (- € 0,5 milhões) e aos Outros gastos e perdas (- € 1,1 milhões). No caso dos rendimentos, resulta, quase exclusivamente, de um volume de vendas e prestações de serviços menor em 6,4%, o que corresponde a - € 2,4 milhões face a 2020.

Tendo por base o atrás referido, apresenta-se em seguida uma análise detalhada das variações mais significativas que influenciaram os referidos resultados de 2021, tendo em conta o planeado e o período homólogo de 2020.

Rendimentos da atividade

- Os rendimentos operacionais ascenderem a € 56,6 milhões e, portanto, ligeiramente inferiores ao Plano (- 4,0 %, ou seja, - € 2,3 milhões). Já quando comparado com o período homólogo, a variação é significativamente pior (-11,1%, o que corresponde a - € 7 milhões), a qual é explicada, essencialmente, pela diminuição do saldo da rubrica Variação dos inventários de produção (- € 6,7 milhões) que expressa a diminuição da execução do investimento da 2.ª fase do EFMA. Note-se que esta redução tem reflexo em montante quase idêntico na diminuição verificada na rubrica Subcontratos dos gastos operacionais, que será referida mais adiante;
- As Vendas e prestações de serviços totalizaram o montante de € 35,6 milhões, ou seja, menos 6,4 % (- € 2,4 milhões) face ao planeado. Esta variação tem como justificação, essencialmente, a diminuição do volume global de água distribuída e da produção de energia pelas centrais mini-hídricas, conforme consta do Relatório. No entanto, esta diminuição foi parcialmente compensada pelo aumento das receitas associadas às barragens de Alqueva e de Pedrógão, cuja execução foi superior ao orçamentado, muito devido à componente da revisibilidade ter sido maior face ao previsto no Plano. Por outro lado, quando comparado com o mesmo período de 2020, concluímos que se mantiveram relativamente estáveis (+ € 0,6 milhares).

Gastos da atividade

- Os gastos operacionais registam um total de € 64,3 milhões, o que representa uma redução de 13,9% (-€10,38 milhões) quando comparado com o mesmo período de 2020 e, uma variação positiva de 3,1% (- € 2 milhões) face às previsões iniciais (€ 66,31 milhões). Tal como anteriormente referido, a variação homóloga tem justificação, essencialmente, nos Fornecimentos e serviços externos (- € 0,4 milhões), nos Gastos com o pessoal (- € 0,5 milhões) e nos Outros gastos e perdas (- € 1,1 milhões). No que se refere ao período homólogo, a redução tem justificação, sobretudo, nos Fornecimentos e serviços externos (- € 7,7 milhões, i.e., - 20,1%), nas Imparidade de dívidas a receber (- € 1,1 milhões, ou seja, - 135,9%) e nas Provisões (- € 3,1 milhões, ou seja, - 54,5%).
- No que se refere em particular aos Fornecimentos e serviços externos, e muito embora a referida variação face ao Plano não seja significativa (- € 0,4 milhões, o que corresponde a - 1,3%), o detalhe da rubrica mostra uma variação de - € 1,7 milhões (-12,2%) nos gastos com eletricidade, devido à redução do volume total de água distribuída em 2021 em consequência de uma maior pluviosidade observada. Em contrapartida, verifica-se em sentido inverso do montante anterior, um aumento nos gastos com conservação e reparação, em mais de € 1,73 milhões (+ 48,7%) face ao planeado.



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No que concerne ao período homólogo, a redução de € 7,7 milhões (- 20,1%), tal como atrás referida, tem como justificação, em primeiro lugar, o facto dos Subcontratos terem tido um decréscimo de € 6,6 milhões (- 39,3%), pela mesma razão atrás referida para o desvio observado na rubrica Variação dos inventários de produção⁸. Em segundo lugar, a diminuição dos gastos com eletricidade, em mais de € 2,9 milhões, que tem como justificação, para além da mencionada redução do volume total de água distribuída em 2021, o facto de os investimentos realizados em centrais fotovoltaicas já estarem a dar os seus resultados. Em sentido contrário, assinala-se um aumento nos gastos com conservação e reparação em mais de € 1,9 milhões (+58,9%), o que anulou parcialmente os efeitos da redução das rubricas anteriores.

- Relativamente aos Gastos com pessoal, num total de € 6,8 milhões, regista-se um acréscimo de cerca de 2,7% (+ € 175 milhares) em termos homólogos e, face ao Plano, inferior em 6,5% (- € 468 milhares). No caso da variação homóloga, destaca-se que a mesma tem justificação, essencialmente, do efeito conjugado entre a redução do absentismo associado à situação pandémica do COVID 19 (+ € 30,9 milhares) e as progressões salariais (+ € 145,5 milhares) resultantes da avaliação de desempenho dos colaboradores da EDIA, conforme consta do Relatório. Relativamente ao Plano, tal variação deve-se, essencialmente, ao facto de não se ter concretizado a contratação de mais 12 colaboradores, apesar de aprovado pelo acionista desde 2020.

- Relativamente às Provisões, o saldo apresentado de € 2,6 milhões não é comparável com o período homólogo do ano de 2020, devido, essencialmente, ao facto de que naquele ano, o valor reconhecido de € 5,6 milhões incluir um reforço extraordinário de € 3,7 milhões decorrente da alteração do modelo e pressupostos utilizados para o cálculo da provisão constituída no âmbito da IFRIC 12.

Conforme mencionado em pareceres anteriores, a adoção do novo modelo resulta do estudo encomendado pela EDIA ao LNEC para definir uma previsão fundamentada tecnicamente para determinar as intervenções, em tempo e profundidade, a realizar nas várias infraestruturas objeto do contrato de concessão, permitindo, desta forma, confirmar a razoabilidade dos montantes provisionados no âmbito da IFRIC 12.

Concluído este processo, importará agora acompanhar os resultados do estudo e apurar os eventuais desvios face ao executado, de modo a torná-lo mais aderente à realidade, para além de se recomendar procedimentos de controlo adequados no reconhecimento de aquisições consideradas no âmbito da provisão constituída.

- No que concerne às Imparidades em investimentos depreciáveis/amortizáveis, refira-se que as variações observadas de - € 77 milhares e de + € 963 milhares relativas, respetivamente, ao Plano e ao período homólogo, decorrem da necessidade de ajustar o investimento realizado no segmento água, à medida que vai sendo executado em razão do mesmo não ser suscetível de recuperação nos termos do modelo atual para efeitos dos testes de imparidade àqueles ativos.

Estas variações decorrem do reconhecimento de uma perda por imparidade no montante de € 17,8 milhões (€ 16,9 milhões em 2020), devido ao investimento realizado na rede primária da 2.ª fase do EFMA, o qual, por decisão do acionista, tem sido financiado através de aumentos de capital e de um empréstimo, contrariamente ao inicialmente previsto. Em face desta alteração da fonte de financiamento, todo o investimento realizado pela Empresa está em imparidade total.

Reproduzindo o que já tínhamos referido sobre o mesmo tema em relatórios e pareceres anteriores, afigura-se-nos que a estrita aplicação da IFRIC 12 aos ativos do segmento água, bem como a utilização de alguns pressupostos de mercado para efeito dos respetivos testes de imparidade, aos quais se junta o facto dos preços da venda da água serem determinados pelo Governo no âmbito de objetivos de políticas públicas

⁸ Efeito espelho. Note-se que esta redução tem reflexo em montante quase idêntico na diminuição verificada na rubrica Variação dos inventários de produção, analisada anteriormente.



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(princípios estabelecidos na Lei da Água, aprovada pela Lei n.º 58/2005, de 29 de dezembro, na sua atual redação), não permitem traduzir na íntegra as especificidades da natureza e substância destes ativos, compulsando a Empresa a reconhecer imparidades com materialidade relevante anualmente e que tendem a influenciar, com proporcional materialidade, a leitura das respetivas demonstrações financeiras.

Com efeito, os testes realizados aos referidos ativos, com base apenas no valor atual dos respetivos cash-flows futuros⁹, levam a concluir que não são suscetíveis de recuperação, pelo que a perda por imparidade reconhecida corresponderá ao valor bruto daqueles ativos deduzido dos passivos indissociáveis e subsídios recebidos, pelo que parece-nos de se ponderar visitar este tema.

Ademais, também parece de referir que se nos afigura admissível ponderar a forma de abordar alguns pressupostos do modelo de testes de imparidade ou, no limite, a eventual derrogação da aplicação da IFRIC 12, tendo presentes a natureza específica das empresas públicas e as condicionantes legais e regulamentares com que na sua maioria se defrontam no exercício da sua atividade, que têm vindo a ser emitidas pelo Estado (apesar de se encontrar dissociada a sua intervenção consoante esteja em causa a função de acionista e de concedente ou contratante) e cujos efeitos, muitos dos quais de natureza proeminentemente social, nem sempre são contidos nos normativos contabilísticos aplicáveis, por serem, naturalmente, marcados pelo predomínio da iniciativa privada na economia.

EBITDA

Neste contexto e atendendo, em particular, às justificações assinaladas anteriormente, o EBITDA e os resultados operacionais são, respetivamente, de € 16,3 milhões e de € 7,4 milhões negativos, o que representa, na mesma ordem, uma melhoria homóloga de 40,7% (+ € 4,7 milhões) e de 30,3% (+ € 3,3 milhões).

Balanço

A 31 de dezembro de 2021, a EDIA apresenta um ativo líquido de € 777,6 milhões, observando-se uma ligeira diminuição de € 3,4 milhões face à posição a 2020, justificada, essencialmente, pelas seguintes variações:

- Diminuição dos Ativos Intangíveis em cerca de € 4,2 milhões (-1,3%), devido, essencialmente, às depreciações reconhecidas no exercício;
- Aumento da rubrica "Outras contas a receber" (ativo não corrente e corrente) em € 19 milhões, justificado, essencialmente, pelos investimentos transferidos de "Inventários" para a conta da DGADR no montante de € 21,78 milhões decorrente da conclusão da construção dos blocos de Cuba-Odivelas e Évora. Note-se que a presente imputação contabilística da referida dívida à DGADR, que vai aumentando todos os anos enquanto existirem investimentos realizados na rede secundária, tem sido a base para a emissão de uma opinião com Reservas tanto do ROC, como do Auditor Externo, designadamente quanto à forma e ao prazo em que podem os referidos ativos correntes (que incluem os investimentos em curso), no montante total de € 244,2 milhões (€ 233,2 milhões em 31 de dezembro 2020) ser objeto de realização;
- Diminuição da rubrica de Inventários, em mais de € 11,1 milhões, explicado, essencialmente, pelo procedimento contabilístico referido no ponto anterior;
- Por último, a rubrica Caixa e depósitos bancários apresenta uma redução de € 7,7 milhões face ao saldo reconhecido no final de 2020.

⁹ Até o ano de 2082, ano em que termina contrato de concessão à EDIA que abrange a gestão, exploração e utilização privativa do domínio público hídrico afeto ao EFMA.



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Tal como referido em vários relatórios e pareceres deste CF, importa, uma vez mais, destacar que o saldo da rubrica "Outras contas a receber" inclui uma dívida identificada como sendo da DGADR, no montante total, à data de 31 de dezembro de 2021, de € 231,1 milhões (€ 209,4 milhões em 31 de dezembro de 2020), correspondente aos investimentos (líquidos de subsídios) concluídos relativos, por um lado, à Infraestrutura 12 (€ 70,8 milhões) e, por outro lado, à rede secundária (€ 160,3 milhões) e cujo recebimento a EDIA espera vir a receber daquele organismo ou diretamente do Estado. À medida que os novos investimentos na rede secundária continuem a ser desenvolvidos, aumentará a dívida da DGADR nos próximos anos, sendo que no final do período em análise já estavam contabilizados na rubrica de Inventários um montante de € 13,5 milhões (€ 24,2 milhões em 2020) e, no âmbito dos quais, foram recebidos subsídios de 0,4 milhões de euros reconhecidos em diferimentos de passivos.

Apesar do previsto legalmente sobre esta matéria, conforme Decretos-Leis n.º 313/2007, de 17 de setembro, e n.º 335/2001, de 24 de dezembro, bem como no que se encontra estabelecido nos contratos de cessão da Infraestrutura 12 (abril de 2006) e nos da concessão relativo à gestão, exploração, manutenção e conservação das infraestruturas da rede secundária (abril e novembro de 2013), a DGADR não só não providenciou a regularização daquela dívida, com também não tem reconhecido a mesma¹⁰, por não ter, alegadamente, cabimento orçamental para tal.

Tal circunstância, determinou novamente uma reserva nas contas da Empresa por parte do ROC e do auditor externo, por não ser possível concluir de que forma e em que prazo aquele ativo irá ser regularizado, muito embora o Ministério da Agricultura, que tutela ambas as entidades – a EDIA e a DGADR, ter conhecimento da situação.

De referir ainda que o atraso no ressarcimento daquele montante à Empresa, configura, necessariamente, um sério constrangimento de tesouraria, o qual tem sido resolvido nos últimos anos pelo acionista através, nomeadamente, da realização de novas entradas/aumentos de capital, conforme se verá mais adiante.

Em conclusão, é do entendimento deste CF que se devem prosseguir os esforços necessários para a rápida resolução deste impasse junto das tutelas sectorial e financeira.

Capital próprio

No que se refere ao Capital próprio e apesar dos resultados líquidos negativos obtidos, o mesmo mantém a trajetória de recuperação verificada nos últimos anos, pelo que se verifica uma melhoria significativa de € 42,97 milhões, passando dos € 47,64 milhões em 2020 para os € 90,61 milhões no final de dezembro de 2021.

Esta melhoria tem justificação nos três aumentos de capital realizado pelo Estado durante 2021, no montante total de € 52,82 milhões, que foram parcialmente compensados pelo prejuízo de € 9,9 milhões apurado no mesmo ano.

Destaca-se que, apesar da melhoria significativa da situação do capital próprio, verifica-se, ainda assim, a perda de metade do capital social, situação que continuará a enquadrar-se nos termos do artigo 35.º do CSC.

Passivo

Por último, importa destacar que ao nível do Passivo verificou-se uma redução homóloga de € 46,42 milhões (- 6,33%), explicada, essencialmente, pela redução do passivo financeiro (- € 26,3 milhões), dos diferimentos (- € 14,5 milhões)¹¹ e, em sentido contrário, pelo aumento das Provisões (€ 3,5 milhões), das quais uma parte diz

¹⁰ No âmbito das circularizações de saldos efetuadas anualmente pelos auditores.

¹¹ Pelo reconhecimento em rendimentos do exercício, um montante de € 12,65 milhões relativos ao contrato de concessão das centrais hidroelétricas de Alqueva e Pedrogão.



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respeito à aplicação da IFRIC 12¹² (€ 2,75 milhões). Também concorre para aquela variação o aumento (€ 1,01 milhões) da provisão constituída para processos judiciais decorrente dos últimos desenvolvimentos do processo judicial intentado pela empresa Tecnasol-FGE.

Destaca-se ainda, neste âmbito, que o pagamento do empréstimo da DGTF, no montante de € 126,14 milhões foi adiado para 2022, tendo sido contraído um segundo no final do ano, no montante de € 7 milhões, para assegurar o pagamento dos novos investimentos da 2.ª fase do EFMA, decorrente da já referida alteração da fonte de financiamento dos investimentos da 2.ª fase do EFMA decidida pelo acionista, contrariamente ao previsto inicialmente (ao abrigo do PNRégadios).

6. CUMPRIMENTO DAS ORIENTAÇÕES LEGAIS E TUTELARES VIGENTES

Nos termos das já referidas competências, cabe ao CF proceder à análise, conforme se apresenta seguidamente, do cumprimento pela Empresa das orientações vigentes para o SEE, das orientações constantes do referido ofício circular da DGTF n.º 359, de 20 de janeiro de 2022, designadamente as relativas às reduções de remunerações e à exigência da apresentação do mencionado RGS que deverá conter informação atual e completa sobre todas as matérias reguladas pelo capítulo II do referido RJSPE.

Relatório de Gestão

Da conformidade com o previsto nos artigos 65.º, 66.º e 66.º-A do CSC, o Relatório de Gestão traduz, na opinião do CF, a observância daquelas disposições e de outras matérias legalmente em vigor, cumprindo, na generalidade, com as orientações aplicáveis ao SEE, nomeadamente as decorrentes do RJSPE.

Adicionalmente, nos termos previstos na alínea c), do n.º 1, do artigo 245.º do Código dos Valores Mobiliários (CVM), a informação constante no referido Relatório expõe, tanto quanto é do conhecimento do CF, a informação prevista na alínea a) do artigo supracitado, incluindo os documentos de prestação de Contas, tendo a mesma sido elaborada em conformidade com as normas contabilísticas aplicáveis, dando uma imagem verdadeira e apropriada do ativo e do passivo, da situação financeira e dos resultados da EDIA, e que o relatório de gestão expõe, ainda, fielmente a evolução dos negócios, do desempenho e da posição da Empresa, contendo ainda uma descrição dos principais riscos e incertezas com que a mesma se defronta.

Relatório de Boas Práticas de Governo Societário

Em cumprimento do determinado pelo n.º 1 do artigo 54.º do RJSPE, confirma-se que o Conselho de Administração apresentou um Relatório Autônomo de Boas Práticas de Governo Societário referente ao exercício de 2021, obedecendo à estrutura definida para o efeito pela Unidade Técnica de Acompanhamento e Monitorização do Setor Público Empresarial (UTAM), sobre o qual, e ao abrigo do estabelecido no n.º 5 do artigo 420.º do CSC, somos de parecer que o mesmo inclui os elementos exigíveis à entidade nos termos previstos do artigo 245.º-A do CVM, e das demais disposições legais em vigor, incluindo as orientações aplicáveis, não tendo sido identificadas incorreções materialmente relevantes na informação divulgada no mesmo.

Todavia, e sem pôr em causa a opinião acima, salientam-se os seguintes factos:

- Na última Assembleia Geral (AG) da EDIA, de 1 de fevereiro de 2022, o acionista Estado votou favoravelmente o Relatório e Contas e o Relatório do Governo Societário de 2020, recomendando ao CA que diligenciasse no sentido de: a) dar cumprimento ao objetivo de prazo de pagamento a fornecedores em conformidade com os

¹² Que se aplica igualmente no respeito em matéria de provisões relativas aos ativos das concessões de serviços às infraestruturas em Exploração, como é o caso, dos ativos do segmento de água. Em 2021, foram utilizados € 0,21 milhões por conta do montante provisionado, para grandes reparações de ativos do segmento água.



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critérios definidos na RCM n.º 34/2008, de 14 de fevereiro; b) dar cumprimento ao disposto na alínea a) do n.º 3 do artigo 158.º do DLEO 2019 relativamente aos gastos com pessoal;

- A atividade da Empresa continua a reger-se pelo Plano de Atividades e Orçamento apresentado pelo CA para 2021 (PAO 2021)¹³, em conformidade com as orientações emanadas pela DGTF para o efeito, alinhada com a proposta de orçamento carregado no SIGO de acordo com as instruções da Direção-Geral do Orçamento (DGO) para efeitos da elaboração da proposta de Orçamento de Estado, a qual veio a ser aprovada pela Lei n.º 75-B/2020, de 31 de dezembro (LOE 2021) e para além das matérias aplicáveis ao SEE nela previsto;
- A atual estrutura de governo societário da EDIA, composta por um CA com três elementos (um Presidente e dois Vogais), um CF¹⁴, e um ROC¹⁵ (fora do CF), mostra-se adequada à respetiva dimensão e complexidade, cumprindo o disposto na lei, nomeadamente o artigo 30.º e seguintes do RJSPE;
- Em termos estatutários, o mandato dos órgãos sociais tem a duração de 3 anos renováveis, sendo o atual mandato de 2018-2020, conforme eleição ocorrida na referida Assembleia Geral, de 23 de maio de 2018, pelo que se espera para breve a nomeação dos órgãos sociais para o triénio 2022-2024;
- A EDIA tem vindo a adotar, há vários anos, um modelo que é também seguido por outras entidades públicas, que contempla para além dos órgãos de fiscalização (CF e ROC) a existência de um auditor externo¹⁶, assegurado pela BDO & Associados, para cumprimento do previsto no artigo 45.º do RJSPE e aplicável à EDIA enquanto Empresa Pública do Grupo B; e
- Por fim, existe a referência a um relatório anual através do qual são identificados os factos suscetíveis de constituir infração penal ou disciplinar, encontrando-se disponível no sítio da internet a versão referente ao ano de 2021, bem como um outro relatório sobre remunerações pagas a homens e mulheres reportado ao ano de 2021 (denominado por "Relatório sobre a Diferença Salarial entre Géneros 2021"), em conformidade com determinado pelo n.º 2 da RCM n.º 18/2014, de 7 de março.

Orientações legais e tutelares

Dando cumprimento às orientações do titular da função acionista, vertidas no referido ofício da DGTF de janeiro de 2022, em observância com o disposto no artigo 420.º do CSC, e para além das matérias acima indicadas sobre o Relatório de Gestão, foi apreciada a informação específica constante no seu Capítulo 2, denominado "*Divulgação do cumprimento das orientações legais*", e que visa aferir o cumprimento das orientações legais aplicáveis à Empresa, pelo que importa destacar o seguinte:

- À semelhança do verificado no passado, não existem orientações ou objetivos de gestão para 2021, conforme dispõe o n.º 1 do artigo 38.º do RJSPE, sendo a atividade da Empresa norteada fundamentalmente, conforme

¹³ Relativamente ao PAO para 2021, refere-se que o mesmo foi objeto de reformulação em 15 de junho de 2021, na sequência do Despacho n.º 105/2021-SET, de 20 de fevereiro, do Senhor Secretário de Estado do Tesouro exarado, exarado sobre o Relatório de Análise n.º 13/2021, de 29 de janeiro, da UTAM, para efeito da alteração da fonte de financiamento relativa aos investimentos da 2.ª fase do Empreendimento de Fins Múltiplos de Alqueva (EFMA) e em conformidade com o que se encontra aprovado no Orçamento de Estado para 2021 (OE/2021), não tendo sido aprovado até à presente data pelo acionista Estado.

¹⁴ Um presidente e dois vogais, no entanto, um dos vogais, o Dr. Hugo Lobo renunciou ao cargo no dia 27 de março de 2020, não tendo sido substituído até à presente data.

¹⁵ O ROC foi designado, por DUE, de 30 de maio de 2019, para acompanhar o mandato 2018-2020.

¹⁶ A EDIA refere o seguinte, sobre esta matéria: "O exercício de funções de auditoria contratual às contas da EDIA é realizado pela empresa BDO & Associados, Sociedade de Revisores Oficiais de Contas, LDA, sendo o auditor externo da EDIA junto da CMVM a RCA – Rosa, Correia & Associados, SROC, S.A. que exerce quer as funções de ROC estatutário (assegurando assim a revisão legal das contas), quer as funções de auditor registado na CMVM para efeitos do Código dos Valores Mobiliários."



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se disse anteriormente, pelo PAO 2021¹⁷ e pelo orçamento da EDIA aprovado em sede do Orçamento de Estado para 2021 e, ainda, pelas orientações do acionista e outra legislação aplicável ao SEE;

- Assim, a Empresa apresenta a informação relativa à execução do PAO 2021 e dos seus orçamentos de receita e despesas aprovados no âmbito do OE 2021, bem como ao cumprimento dos princípios financeiros de referência, aos objetivos operacionais, ao EBITDA, aos gastos com pessoal, à evolução do indicador relativo ao peso dos gastos operacionais no volume de negócio, aos respetivos resultados de performance, ao investimento e ainda ao endividamento;
- No que se refere à gestão de risco financeiro, e em conformidade com o disposto no Despacho n.º 101/2009 – SETF, de 30 de janeiro, salienta-se que a atividade da EDIA se encontra exposta ao risco de taxa de juro e ao risco de liquidez. Quanto ao primeiro, importa salientar que a EDIA não detém, à data de 31 de dezembro de 2021, nenhum instrumento financeiro de cobertura de taxa de juro, apesar dos seus empréstimos estarem indexados a taxas de juro variáveis, com exceção dos empréstimos obtidos junto da DGTF em 2014 e 2021. Nesta conformidade, a taxa média dos seus financiamentos situou-se no final de 2021 próximo dos 0,85%;
- No que se refere às conclusões resultantes da análise de sensibilidade efetuada pela Empresa para uma variação de 1% na taxa de juro, o impacto estimado nos resultados de 2021 seria de (+/-) € 1,17 milhões;
- A EDIA apresenta um investimento realizado acumulado, desde 1995 até final de 2021, de aproximadamente € 2.428,85 milhões, dos quais cerca de € 27,91 milhões (sem capitalizações) foram realizados em 2021, destacando-se os respeitantes à rede secundária (€10,23 milhões), à rede primária (€15,43 milhões), à Estação Elevatória Alqueva – Álamos (€1,03 milhões) e à Barragem e Central de Pedrógão (€1,15 milhões).

Deste modo, os referidos investimentos correspondem a cerca de 97% do orçamento, o qual previa um total de €28,88 milhões;
- Como já referido em relatórios anteriores, o financiamento do EFMA subdivide-se entre subsídios de investimento (Fundos Comunitários e PIDDAC), capitais próprios e empréstimos bancários, sendo que os primeiros representam mais de metade do investimento realizado;
- Quanto ao risco de liquidez, sublinha-se que, como referido anteriormente, desde setembro de 2014, a EDIA foi reclassificada para o perímetro das administrações públicas, passando as suas necessidades de financiamento a serem asseguradas através das suas receitas próprias, dotações do Capítulo 60º do Orçamento de Estado, designadamente, empréstimos a conceder pela DGTF ou através de novas dotações de capital. Neste contexto, e seguindo a tendência dos anos mais recentes, as necessidades de financiamento da EDIA em 2021 foram asseguradas, uma vez mais, através de dotações de capital no montante de € 52,82 milhões e de um novo empréstimo de € 7 milhões concedido pela DGTF. A este associa-se o diferimento para 2022 do empréstimo concedido anteriormente, no montante atual de € 126,14 milhões, sendo que estão em dívida a amortização (bullet) e os juros vencidos relativos aos anos de 2018, 2019, 2020 e 2021;
- Esta política ativa de reforço de capitais permanentes por parte do Estado no papel de acionista único, permitiu à Empresa financiar parte do investimento realizado e reduzir o seu passivo remunerado em € 25,56 milhões¹⁸, ou seja, menos 9,26% quando comparado com o ano de 2021;
- Já no que se refere ao limite de crescimento do endividamento, tendo em conta os termos da fórmula prevista no n.º 4 do artigo 159.º do DL n.º 84/2019, de 28 de junho, na sua atual redação (DLEO 2019), isto é, tendo

¹⁷ O qual não foi objeto de aprovação pelo acionista.

¹⁸ Excluindo o efeito da contabilização das locações financeiras no valor de € 541 milhares.



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em consideração os aumentos de capital realizados pelo Estado e os novos investimentos com expressão material¹⁹, a Empresa apresentou um ligeiro aumento do passivo remunerado em 0,16% face a igual período de 2020 justificado pelo novo financiamento de médio e longo prazo obtido junto da DGTF, no montante de € 7 milhões, estando, assim, cumprido de modo efetivo o limite máximo de 2% de aumento previsto na Lei do Orçamento do Estado para 2021;

- Conforme consta do Relatório, os gastos com pessoal registaram uma subida homóloga de 2,65% (4,47% em 2020), resultante, essencialmente, do efeito das progressões decorrente da avaliação de desempenho (+ € 145 milhares) e da redução do absentismo em conjugação do aumento do trabalho suplementar (€ 30 milhares). De referir ainda que o número de pessoal/trabalhadores não teve alteração relativamente a igual data de 2020;
- Relativamente aos gastos com Órgãos Sociais, a EDIA demonstra o cumprimento das disposições sobre reduções remuneratórias previstas na Lei n.º 12-A/2010, de 30 de junho, aplicadas aos gestores públicos, ou seja, manteve-se a redução prevista de 5%. Refira-se a este propósito que na AG, de 23 de maio de 2018, foi fixado o novo estatuto remuneratório dos membros dos órgãos sociais eleitos para o mandato 2018-2020, os quais se mantêm em exercício de funções até nova designação;
- O referido estatuto remuneratório incorpora também a Declaração Anual sobre Política de Remuneração dos membros dos Órgãos de Administração e Fiscalização da EDIA²⁰;
- Em cumprimento do disposto no artigo 32.º do EGP, a Empresa confirma que nenhum dos membros da Administração utilizou cartões de crédito²¹, nem foram reembolsadas despesas incorridas a título de representação pessoal;
- Sublinha-se ainda que em 2021 a Empresa manteve o procedimento de não atribuir prémios de gestão;
- No âmbito dos procedimentos da contratação pública, a EDIA rege-se pelo Código dos Contratos Públicos. Nessa medida, para a realização de despesas cujo valor estimado seja superior a € 5.000, utiliza o recurso ao procedimento de ajuste direto o que implica, em regra, o convite a pelo menos cinco entidades, contendo a fundamentação da necessidade de recurso àquele procedimento;
- Refira-se, igualmente, que no ano de 2021 não foram adjudicados pela Empresa contratos com valor superior a € 5.000.000,00, e, portanto, sujeitos ao visto prévio do Tribunal de Contas;
- Importa destacar, sobre este tema, que a EDIA para além de já ter incorporado no respetivo manual de procedimentos interno melhorias nos procedimentos de contratação, nomeadamente, a obrigação de incluir a fundamentação da necessidade de recurso ao ajuste direto, em especial sobre a impossibilidade de satisfação da necessidade por via dos recursos próprios da Administração Pública, para além de outras alterações que visam corresponder à garantia da legalidade e dos Princípios Normativos da Contratação Pública, conclui a desmaterialização de todo o ciclo de procedimento de contratação pública;
- No que se refere ao Sistema Nacional de Compras Públicas (SNCP), recorda-se que a EDIA aderiu àquele sistema²², através da Entidade de Serviços Partilhados da Administração Pública, I.P. (ESPAP), utilizando-o

¹⁹ No montante de € 34,8 milhões.

²⁰ Na AG, de 4 de outubro de 2019, foi votada favoravelmente a Declaração sobre Política de Remuneração dos membros dos órgãos de Administração e de Fiscalização da EDIA, em cumprimento do disposto no artigo 20.º da Lei n.º 28/2009, de 19 de junho.

²¹ Incluindo outros meios de pagamentos similares.

²² No entanto, sublinha-se que a EDIA decidiu não aderir ao Sistema de Gestão do Parque de Veículos do Estado (SGPVE), atendendo às especificidades de aquisições desta plataforma não se coadunarem com as necessidades e prazos de contratação da Empresa.



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para a aquisição de viaturas em regime de aluguer operacional de viaturas (AOV), bem como para bens e serviços necessários à sua atividade;

- Decorrente do legalmente previsto, cabe às empresas com EBITDA positivo assegurar a redução do peso do conjunto dos gastos com consumos, fornecimentos e serviços externos e pessoal no volume de negócios²³. Nessa medida, a Empresa manteve a tendência de melhoria, pelo que o indicador registou uma nova redução em cerca de 2,53 % face ao registado em 2020, passando dos 79% para os 77%. Esta melhoria foi conseguida, sobretudo, pela redução dos gastos em 26,65% (- € 7,5 milhões);
- Ainda no âmbito das medidas de redução de gastos operacionais previstas no artigo 158.º do DLEO 2019, destaca-se que o indicador resultante do somatório dos gastos com deslocações, ajudas de custas e alojamento e com a frota automóvel, regista um aumento de 2,29%, devido, sobretudo, ao facto de terem sido retomadas gradualmente as atividades normais depois de um ano 2020 completamente atípico devido à crise pandémica e às respetivas medidas restritivas impostas pelo Governo. Assim, se a comparação for feita relativamente ao ano 2019 (pré-pandemia), constata-se uma redução de 11,09% no conjunto daqueles gastos;
- Relativamente ao indicador referente aos gastos com estudos, projetos, pareceres e consultoria, mantém-se quase inalterado (-0,02%). Quando comparado com o ano de 2019, verifica-se uma redução de 2,65%;
- No que se refere à frota automóvel, constata-se que o número de viaturas se mantém inalterado nas 81 unidades. Já quando comparado com o ano de 2019, verifica-se o aumento de uma unidade, sendo que este aumento foi concretizado em 2020, justificado pela Empresa por ter sido cedida uma viatura da sua frota ao Ministério da Agricultura;
- No que diz respeito aos gastos com a referida frota, verifica-se um aumento de 2,29% (+ € 14,92 milhares) quando comparado com o ano de 2020, justificado pelas mesmas razões anteriormente referidas (COVID-19) e ao facto dos preços dos combustíveis terem aumentado significativamente. Já se for feito o mesmo exercício atrás referido, verifica-se uma redução de 7,96% (- € 56,04 milhares) face ao ano de 2019;
- Quanto ao indicador relativo ao Prazo Médio de Pagamento (PMP), verifica-se que a Empresa manteve a tendência de agravamento, registando um aumento daquele prazo em mais 22 dias (+40 dias em 2020), passando de 103 dias para os 125 dias. A Empresa justifica este aumento devido ao processo moroso de aprovação dos pedidos de aumento de capital, feitos numa base trimestral, o que implica atrasos em cadeia no pagamento aos fornecedores referentes aos novos investimentos da 2.ª fase do EFMA;
- Ainda sobre esta matéria, importa assinalar que, ao abrigo do previsto no n.º 2 do artigo 26.º DLEO 2019, as empresas do SEE que apresentarem um PMP superior a 60 dias devem divulgar no seu *site* da internet a lista das suas dívidas certas, líquidas e exigíveis há mais de 30 dias. Para o efeito, a Empresa refere no Relatório que “*divulga no site da EDIA, SIRIEF, SIGO uma lista atualizada das suas dívidas certas, líquidas e exigíveis há mais de 30 dias*”;
- A 31 de dezembro de 2021 a Empresa não identificou pagamentos em atraso (“*arrears*”), nos termos definidos pelo DL n.º 65-A/2011, de 17 de maio; e
- No que diz respeito ao cumprimento da Unidade de Tesouraria do Estado (UTE) e apesar da Empresa ter solicitado a dispensa do cumprimento integral da UTE, nos termos previstos no n.º 3 do artigo 28.º do RJSPE, o IGCP concedeu para os anos de 2020 e 2021 a dispensa do referido princípio apenas para alguns serviços bancários, mais concretamente, para o carregamento de cartões de refeição e para os valores das garantias

²³ O Volume de Negócios considerado para efeito do presente indicador, é corrigido pela Empresa dos subsídios à exploração e das indemnizações compensatórias e engloba o montante de Variação nos Inventários da produção.



Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A.

Conselho Fiscal

bancárias que não possam ser substituídos por depósitos caucionados. Contudo, apesar das referidas dispensas, a Empresa mantém outras contas fora do IGCP que identifica como necessárias para o recebimento de clientes até ser possível encerrar as mesmas. De destacar, neste âmbito, que as referidas contas não são remuneradas, pelo que não haverá juros a entregar nos cofres do Estado.

Outras Recomendações do Acionista

Relativamente ao cumprimento das demais orientações, salienta-se que, não obstante a AG de aprovação do Relatório e Contas de 2020 da EDIA se ter realizado em fevereiro de 2022, as recomendações transmitidas nesta Assembleia já tinham sido estabelecidas no ano anterior, na AG realizada em 5 de junho de 2020, identificando a Empresa no Relatório ora em análise o cumprimento de todas com exceção de duas, uma relativa ao PMP e uma segunda no que se refere aos Gastos com pessoal, apresentando, para o efeito, os fundamentos ou as condicionantes não imputáveis à Empresa que explicam o não cumprimento das recomendações em causa, conforme já detalhado anteriormente.

PARECER

De acordo com o que precede e tendo em consideração os elementos disponibilizados, bem como as conclusões constantes da Certificação Legal das Contas, do Relatório Adicional de Auditoria e do Relatório de Auditoria Externa sobre as Demonstrações Financeiras, o Conselho Fiscal é de parecer que:

- 1 - Seja aprovado o Relatório e Contas de 2021 (bem como o RGS), atento à reserva e à ênfase expressas na Certificação Legal das Contas;
- 2 - Seja aprovada a proposta de aplicação de resultados apresentada pelo Conselho de Administração em conformidade com as disposições legais em vigor, no sentido do Resultado Líquido Negativo (constante do Balanço a 31 de dezembro de 2021), no montante de € 9.855.509, seja levado a Resultados Transitados.

Por último, o Conselho Fiscal regista com apreço e agradece toda a colaboração que lhe foi prestada ao longo do ano de 2021 pelo Conselho de Administração e pelos colaboradores da EDIA, bem como pelo ROC e pelos Auditores Externos.

Lisboa, 17 de junho de 2022.

O Conselho Fiscal,

Sara Simões Duarte Ambrósio

Sara Simões Duarte Ambrósio
(Presidente)

Nelson Costa Santos

Nelson Costa Santos
(Vogal)

CHAPTER 3 - FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

COMPLIANCE STATEMENT

COMPLIANCE STATEMENT OF THE BOARD OF DIRECTORS

Dear Shareholders

Under the terms of paragraph c) of No. 1 of Article 245 of the Portuguese Securities Code, we inform you that to the best of our knowledge

- I. The information contained in the management report faithfully sets out the important events that occurred in 2021 and their impact on the respective financial statements, containing a description of the main risks and uncertainties that they face; and
- II. The information contained in the individual financial statements, as well as their annexes, was prepared in accordance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial situation, and the results of EDIA – Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A. and the companies included in the consolidation perimeter.

Beja, 29 March 2022

The Board of Directors

Eng. José Pedro Mendes Barbosa da Costa Salema

(President)

Dr. Augusta Manuel Pereira de Jesus Cachoupo

(Member)

Eng. Jorge Manuel Vazquez Gonzalez

(Member)

CHAPTER 3 - FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

STATEMENT ON THE REMUNERATION POLICY OF THE MEMBERS OF EDIA, S.A.'S MANAGEMENT AND SUPERVISORY BODIES AS PROVIDED FOR IN LAW 28/2009

At the General Assembly of 4 October 2019, it was resolved not to elect a Remuneration Setting Committee.



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CHAPTER 4

ACRONYMS AND ABBREVIATIONS'S

CHAPTER 4 - ACRONYMS AND ABBREVIATIONS

CBA – Cost Benefit Analysis**ACECA** – Control and Elimination of the Water Hyacinth in the River Guadiana Transboundary Stretch**ADRAL** – Alentejo Regional Development Agency**AdSA** – Waters of Santo André**AEXCID** – Extremadura International Development Cooperation Agency**GA** – General Assembly**AgdA** – Public Water of Alentejo**AIA** – Environmental Impact Assessment**AOV** – Operational Lease of Vehicles**APA** – Portuguese Environment Agency**ARFE** – Association of European Border Regions**ARH Alentejo** – Administration of the Hydrographic Region of Alentejo**AT** – Tax Authority**ATLA** – Transfrontier Association of Lake Alqueva Municipalities**BC** – Commercial Banking**BCP** – Banco Comercial Português**BCSD** – Business Council for Sustainable Development**BE** – Economic Bulletin**EIB** – European Investment Bank**BES** – Novo Banco**BNT** – National Land Exchange**BP** – Banco de Portugal**BPI** – Banco Português de Investimentos (Portuguese Investment Bank)**CA** – Board of Directors**CADC** – Committee on the Application and Development of the Convention**CD** – Documentation Centre**CCAM** – Mutual Agricultural Credit Bank**CCDR** – Regional Coordination and Development Commission**CCDRA** – Alentejo Regional Coordination and Development Commission**CCP** – Public Contract Code**CCDR** – Regional Coordination and Development Commission**CD** – Documentation Centre**EC** – European Community**CEB** – Council of Europe Development Bank**C4C** – Cloud for Costumer**CGD** – Caixa Geral de Depósitos**CH** – Hydraulic Circuit**CHA** – Alqueva Hydroelectric Power Station**CHP** – Pedrógão Hydroelectric Power Station**CIAL** – Alqueva Information Centre**CIEFMA** – Web Application to Consult the EFMA Infrastructure and Irrigation Management Register**CIMAC** – Intermunicipal Community of Central Alentejo**CLAS** – Social Action Local Council of Beja**CMB** – Beja Town Council**CMVM** – Securities and Exchange Commission**CNC** – Accounting Standards Committee**COTR** – Operating Centre for Irrigation Technologies**CP** – Public Tender**CRI** – International Rivers Commission**CSC** – Commercial Companies Code**DGADR** – Directorate-General for Agriculture and Rural Development**DGEG** – Directorate General for Energy and Geology**DGS** – Directorate General of Health**DGO** – Directorate General for the Budget**DGT** – Directorate General of Territory**DGTF** – Directorate General for the Treasury and Finance**DIA** – Environmental Impact Statement**DL** – Decree-Law**DLEO** – Budget Execution Decree-Law**DR** – Official Gazette**DSUE** – Unanimous Written Social Resolution**DUP** – Public Utility Declaration

EBIT – Earning Before Interest and Taxes**EBITDA** – Earnings Before Interest, Taxes, Depreciation and Amortization**EDIA** – Empresa de Desenvolvimento e Infraestruturas do Alqueva, S.A.**EDP** – Energias de Portugal**EFMA** – Alqueva Multipurpose Project**EFV** – Surveillance and Monitoring Team**EGP** – Public Manager Statute**EIA** – Environmental Impact Study**EN** – National Road**ENCNB** – National Strategy for Nature Conservation and Biodiversity**EP** – Public Companies**EpE** – Entreprises pour l’Environnement**EPR** – Reclassified Public Companies**ETA** – Water Treatment Plant**ETAR** – Wastewater Treatment Plant**EUR** – Euros**FBCF** – Gross Fixed Capital Formation**EAFRD** – European Agricultural Fund for Rural Development**ERDF** – European Regional Development Fund**EAGGF** – European Agricultural Guidance and Guarantee Fund**FF** – Source of Financing**FitoFarmgest** – Sustainable Management of Phytopharmaceuticals in Olive Grove, Vineyards, and Field Crops, in the EFMA Area of Influence**FSE** – External Supplies and Services**GeOp** – (Entity) Operational Management**GESAMB** – Environmental and Waste Management**ha** – Hectare**hm³** – Cubic hectometre**IAS** – International Accounting Standard**IASB** – International Accounting Standard Board**IBERLINX** – Trans-frontier Territorial Action for the Conservation of the Iberian Lyceum**ICNF** – Institute for Nature Conservation and Forests**IEFP** – Institute of Employment and Professional Training**IFRIC** – International Financial Reporting Interpretations Committee**IFRS** – International Financial Reporting Standards**IGCP** – Treasury and Public Debt Management Agency**HICP** – Harmonised Index of Consumer Prices**IHT** – Exemption from Working Hours**INALENTEJO** – Regional Operational Programme of Alentejo 2007/2013**INVASEP** – Fight against invasive species in the Tajo and Guadiana rivers in the Iberian Peninsula**INE** – National Institute of Statistics**IPBeja** – Polytechnic Institute of Beja**CPI** – Consumer Price Index**HICP** – Harmonised Index of Consumer Prices**IRC** – Corporation Tax**IRS** – Personal Income Tax**ISO** – International Standardization Organization**ISPA** – Higher Institute of Applied Psychology**VAT** – Value Added Tax**IVI** – Infrastructure Value Index**Km** – Kilometre**Km²** – Square kilometres**kWh** – Kilo Watt Hour**LCPA** – Law of Commitments and Late Payments**LGT** – General Tax Law**LNEC** – National Civil Engineering Laboratory**LOE** – State Budget Law**MA** – Ministry of Agriculture**MD** – Right Bank**MAFDR** – Ministry of Agriculture, Forestry and Rural Development**MAMAOT** – Ministry of Agriculture, Sea, Environment and Spatial Planning**MF** – Ministry of Finance**MW/h** – MEGA WATT hour**NAVIA** – Operational Infrastructure Management Software**NCRF** – Accounting and Financial Reporting Standards**NERBE** – Business Nucleus of the Beja Region**NPA** – Full Level of Storage**OakReGeneration – Project OakRegeneration – Project PDR2020** – Measure 1 Operational Groups (Project studying the natural regeneration of cork oak forests in protected environments for livestock and wildlife)**OCS** – Social Communication Organ**OE** – State Budget**OROC** – Portuguese Statutory Auditor Association**PBG** – Principles of Good Governance**PCCTM** – Temporary Pond Conservation Plan**RDP 2020** – Rural Development Programme for

Mainland Portugal 2014–2020

PDM – Municipal Master Plans**PEC** – Stability and Growth Programme**HDPE** – High Density Polyethylene**EMP** – Environmental Management Programme**GDP** – Gross Domestic Product**PIDDAC** – Central Administration Investment and Development Expenditure Programme**PIER** – Rural Intervention Plan

PlaCarvões – Project which consists in the implementation of a solution that integrates the principles of Circular Economy in the plastics value chain, with the valorisation of plastic waste (agricultural plastics, disposable plastics, and CDR) through the production of activated carbons

PMP – Average Payment Term**PNN** – Noudar Nature Park**PNRegadios**–Programa Nacional de Regadios**POAAP** – Land Management Plan for the Alqueva and Pedrógão Reservoirs**POC** – Official Plan of Accounts**POC Alqueva** – Observation and Command Post for the Alqueva Dam**POCTEP** – Cross Border Cooperation Programme Portugal – Spain**POSEUR** – Operational Programme for Sustainability and Efficiency in the Use of Resources**POVT** – Thematic Operational Programme for Territorial Enhancement**PT** – Transformer Station**PRC** – Cost Reduction Plan**PPRCIC** – Plan for the Prevention of Risks of Corruption and Related Infractions**PRODER** – Rural Development Programme**PRO-IBERLINX** – Protection and Conservation of the Iberian Lynx**PUT** – Principle of Unity of State Treasury**CSF** – Community Support Framework**RCA** – Rosa, Correia & Associados, SROC, S.A.**RCM** – Council of Ministers Resolution**RJSPE** – Legal Regime of the Public Company Sector**ROC** – Statutory Auditor**PN** – Primary Network**RPM** – Portuguese Network of Museums**SN** – Secondary Network**S.A.** – Public Limited Company**SAP** – Data Processing Systems, Applications and Products**SCADA** – Software Supervisory Control and Data Acquisition**SEE** – State Business Sector**SGA** – Environmental Management System**GIS** – Geographic Information System**SIGO** – Budget Management Information System**SHT** – Safety and Hygiene at Work**SIRHAL** – Alqueva Water Resources Information System**SISAP** – Support System for Determining Cultural Suitability**SNC – AP** – Public Administration Accounting Standardisation System**SNCP** – National Public Purchasing System**SOE** – State Budget Preparation Information System**SROC** – Society of Statutory Auditors**STJ**– Supreme Court of Justice**TCAS** – Southern Administrative Central Court**TRH** – Water Resources Charge**TURH** – Titles of Use of Water Resources**EU** – European Union**UEP** – Project Execution Unit**UIA** – Urban Innovative Actions**ULSBA** – Local Health Unit of Baixo Alentejo**URSA** – Alqueva By-products Recirculation Units**UTA** – Working Unit Year**UTAM** – Technical Unit for Monitoring and Control of the Public Company Sector**UTE** – State Treasury Unit**GVA** – Gross Value Added**WADI**– Water-tightness Detection Implementation

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NUSEUDNLUZ

alqueva  Uma nova
terra de água

NOUDAR PARQUE
DE NATUREZA