

BOARD OF DIRECTORS' REPORT 2022

Implenia Norge AS and Acciona Construction S,A JV, (MossilA ANS) , - is a General Partnership with organization number 823 188 552 and address in Dronningens gate 16 1530 Moss

The General Partnership is made up by:

55% Implenia Norge AS. Organization number 980 332 977. Address: Fomebuveien 11, 1366 Lysaker Norway. Norwegian branch of Implenia Switzerland Ltd company incorporated under Switzerland laws, Tax ID: CHE-101.271.306 whose address office is at Industriestrasse 24, 8305 Dietlikon Switzerland

45% of Acciona Construcción, S.A company incorporated under the laws of Spain, Tax ID: ESA81638108 whose address office is at Avda. Europa, 18. Parque Empresarial La Moraleja. 28108 Alcobendas, Madrid. Spain

The Partnership was awarded on 28th of June of 2019 by Bane NOR SF (Norwegian National Rail Administration) as the Contractor to carry out and perform the engineering, procurement and construction of EPC for the Nytt Dobbeltspor Sandbukta - Moss – Såstad project.

Nytt Dobbeltspor Sanbuka – Moss - Salad Project

The project is located in moss and consist in 10 km new double track railway between Sandbukta and Sastad. The project includes a 10.3 km, twin-track line, some of which will run above ground. This project also requires to build two tunnels, each longer than 2 km (Moss Tunnel and Carlberg Tunnel) with escape tunnels and one shorter cut-and-cover section.

This project will form the core part of InterCity development south of Oslo and is commissioned by the Norwegian government's agency for railway services (Bane NOR).

Purpose

The purpose of this Board of Directors report is to delivery useful information to the users of the financial information of the Mossia ANS

Comments related to the financial statements

The financial statements of Mossia ANS have been prepared in accordance with the Norwegian Accounting Act 1998 and generally accepted accounting principles. The Board of Directors is of the opinion that the annual financial statements provide and accurate and fair picture of the financial results for 2022 and financial position as of 31 December 2022.

According to section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of going concern. This assumption is based on the profit forecast for Mossia ANS Project.

As a contractor in a construction project Mossia ANS uses the principle of the percentage of completion method, based on the estimated final profit. The percentage of completion is calculated by the ratio of accumulated cost to total projected costs of the contract. At year end, the percentage of completion was 54,76%.

Mossia ANS is a general partnership company with Implenia Norge and Acciona Construccion as partners. Mossia ANS is not taxable and the tax base is taxable in each of the partner companies where the result after tax will be allocated to equity.

MossIA ANS	2019	2020	2021	2022	Total
Total Revenue	114.327.611	1.092.212.348	1.231.657.306	1.197.293.376	3.635.490.640
Other Income			685.163	3.215.861	3.901.024
Operating Expenses	109.755.618	1.048.497.078	1.182.416.674	1.153.302.669	3.493.972.039
Operating Profit	4.571.993	43.715.271	49.925.795	47.206.567	145.419.626
Financial Profit	32.280	-939.279	1.036.654	4.947.880	5.077.536
Net Profit	4.604.273	42.775.992	50.962.449	52.154.447	150.497.161

Equity

Mossia ANS is a general partnership company and does not have capital requirements. Equity is made up of the retained earnings.

Insurance

MossIA maintains the following insurances:

- Liability insurance covering MossIA's liability under the Nytt Dobbeltspor Sandbukta - Moss – Såstad contract. The Project or Construction Management liability is covered under this Policy.
- Personnel insurance connected with illness, personal injury, or accidental death in MossIA's Group.
- Construction All Risk insurance covering the deliverables, materials and others which are outside of the geographical limit of Europe as defined in the CAR insurance provided by the client of the Nytt Dobbeltspor Sandbukta - Moss – Såstad project.

Liquidity

Mossia ANS finances its operations with the payments received from its client.

Risk and Uncertainty Factors

Mossia ANS has a thorough risk management and internal control structure, the purpose of which is to systematically identify, assess, communicate and manage risks throughout the organization.

Operating Risks: Mossia ANS's operations are subject to market risks in the form of price risks such as unforeseen cost increases for material, subcontractors or the employee salaries. Price risks are managed through efficient purchasing processes.

Credit Risks: considered as very rare due to the fact of having a public customer.

Reporting Risks: Mossia ANS applies percentage-of completion profit recognition, whereby profit is recognized at the pace of completion. Due to the complexity of the contract disagreement with the customer may arise about the final settlement. MossIA only recognizes in its financial statements revenues from claims and disputes with a high probability of recovery from the client.

Works in 2022

Engineering: accumulative progress of 97,17%

Procurement: accumulative progress of 83,59%

Construction: accumulative progress of 56,41%

Overall: accumulative progress of 60,39%

Civil works:

Sandbukta: successfully execution of summer 2022 shutdown (6 weeks period where embankment, with its drainage, cable conduits... were built)

Moss tunnel: ongoing excavation after Circle K area. Progressing afterworks in northern section: smoothing layer, waterproofing and lateral drainage. Planned for January 23 the start of the lining works. Ongoing excavation in Mossehallen with the aim of doing the breakthrough during the upcoming months.

Carlberg tunnel: top-section excavation fully finished late 2022. Ongoing smoothing layer, which started after summer 22.

Carlberg Culvert: works inside the pit are split in 2 areas C&C section and U section. All the soil stabilization is fully finished and temporary retaining walls installed (just pending to finish dowels for D-wall and Sheet-pile during January 23). Soil excavation for U section started Spring 22 and was finished Autumn 23, while rock excavation is ongoing. C&C excavation will start early 2023.

Sheetpiles as temporary retaining wall in Larkollveien are installed and soil stabilization was fully executed during Summer-Autumn 22. Dry and wet utilities are relocated in order to start with the excavation; however, North Connection wet utilities are still under execution. Pit excavation also started during December with the aim of starting strut installation early 23.

Design Works:

Design progress is over 95%, while 76% is already IFC. The aim of the project is having design fully finished before Summer 2023. Tunnel design is almost finished while permanent structures (Carlberg and Larkollveien) are the main packages under the design process.

Contractual Milestones achieved in 2022:

After Settlement Agreement signed on May 2022, the only Contract Milestone to be achieved during 2022 was MB15a, which was officially accepted by Bane Nor on 22nd December.

Future challenges

Next Contract milestone MB8 deadline is September 2023, so, with the aim of fulfilling it, Moss tunnel north lining will start within January 2023 and the invert works during the spring. Finishing Moss main tunnel up to Verket crossing but also Sandbukta remaining embankment will be one of the challenges Contractor will face.

Regarding Moss tunnel south, Mossehallen excavation must be finished before afterworks can start. Post-grouting execution coordinated with smoothing layer while finishing the excavation will require a high coordination between the stakeholders involved.

For Carlberg Culvert permanent structure, southern section CT2 design was approved by Company and will start in the beginning of 2023.

Finally, Larkollveien permanent structure work is expected to start during Spring 23.

Employees

The number of employees in MossIA at December 2022 was 41 for White Collars and 17 blue collars. Additionally, both partners provide to the partnership their own staff.

Gender distribution:

	Employees	% Male	% Female
White Collar	41	(25) 61%	(16) 39%
Blue Collar	17	(17) 100%	-
Total	58	(42) 72%	(16) 28%
	Employees	% Male	% Female
Temporary Employed	0	0%	0%
Part-time Positions	0	0%	0%
	Weeks	% Male	% Female
Parental leave	121	12%	88%

Even though in the construction sector there is a higher presence of men than women, AGJV only considers the experience, background and professional qualifications of the candidates when it comes to recruit new employees or promotions

Diversity, Equity, and Inclusion Policy

In Norway, the Equality and Anti-Discrimination Act entered into force on 1 January 2018. The Equality and Anti-Discrimination Act protects against discrimination based on gender, pregnancy, parental or adoption leave, or caring responsibilities. The purpose of this law is to advance gender equality. Men and women must have access to equal opportunities in terms of education, work, and cultural and professional development. Both men and women are covered by this protection, even if the Equality and Anti-Discrimination Act is specifically aimed at improving the position of women, as stated in its provisions, cf. Section 1. The law requires employers, workplace organizations and public authorities to actively partake in work promoting equality.

Equal opportunity is one of the guiding principles of MossIA's personnel management as a way of attracting talent and contributing to the achievement of business objectives. MossIA promotes the professional and personal development of all employees, ensuring equal opportunities through the implementation of its policies. Discrimination of any kind, whether by age, race, color, gender, religion, political opinion, nationality, sexual orientation, social origin or disability, will not be tolerated. Moreover, it ensures full compliance with the provisions of the International Labor Organization, particularly as regards minors, and rejects any type of child labor. MossIA has a Code of Conduct and Guidelines which contains a real commitment to the application of public policies established to promote greater opportunities in the workplace.

Finally, there are different protocols for the prevention of sexual harassment and gender discrimination. The Guidelines are the starting point of the model of ethics and compliance. It aims to establish the values that guide the behavior for MossIA.

MossIA Diversity, Equity, and Inclusion policy:

- Respect for people
- No discrimination
- Promotion of diversity in society and communities
- Recognition based on effective equality
- Pay equity and equal consideration
- Inclusive leadership
- Internal mobility
- Work-life integration
- Inclusive workspaces
- Inclusive communication
- Skills awareness and development
- Contribution to creating more inclusive environments
- Spread of principles of diversity, equity, and inclusion

MossIA Supervision and Policy Control Mechanisms:

- Identification and assessment of risks of real or potential impacts and integration of results in internal processes.
- Mechanisms for reporting and claims
- Remediation

- Supervision and collaboration with the authorities
- Transparency and accountability
- Monitoring and continuous improvement.

Transparency Act

Both parent companies and the joint venture itself has a people centrix policy, which seeks to become the value proposal centered around people. This policy is based on five fundamental pillars:

- Merit Recognition
- Diversity and inclusion
- Transformative workplace
- Leadership
- Access to rights

Respect of Human Rights and decent working conditions is the central pillar of MossIA's code of conduct. Not only MossIA employees, but also anyone involved in the project must perform their professional activities with the same commitment to civil liberties. MossIA is fully committed to the protection of Human Rights pursuant to the International Human Rights Charter, the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and its 8 fundamental conventions; the Workers' Representatives Convention; the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; the UN Convention on the Rights of the Child; the UN Global Compact; the Seoul Declaration on Safety and Health at Work; and the UN Guiding Principles on Enterprises and Human Rights. This approach is materialized in the Due Dilligence Strategy.

This approach focuses on designing a preventive, strict and accurate mechanism to enable the company to identify, evaluate, prevent, mitigate, stop, monitor, report, address, rectify and account for real or potential adverse consequences of its activities to Human Rights. The strategy is composed of seven key milestones:

- 1) **Identification and assessment of real or potential impacts:** to identify and evaluate every year real risks and predict future impacts related to non exemplary business conduct, the company maintains regular and fluid dialogue with its stakeholders. Main risks identified that derives from MossIA's activity are:
 - Participating or being complicit, both directly and indirectly, in harassment, discrimination, abuse, severe, degrading or inhuman treatment (such as detentions, arrests, torture, etc.).
 - Violating or being complicit in violating, directly or indirectly, the right to freedom of thought, conscience, religion and opinion.
 - Incurring directly or indirectly in the promotion or use of forced labour or modern slavery for the performance of projects, and/or people trafficking.
 - Incurring directly or indirectly in the promotion of child labour practices.
 - Participating or being complicit, both directly and indirectly, in violating the right to association and collective bargaining.
 - Violating the rights of workers to defend their interests.
 - Not ensuring conditions of health, safety and well-being of workers, both own and subcontracted workers, who carry out their work for ACCIONA. Participating in or benefiting directly or indirectly from unfair, illegal and/or unethical hiring conditions.
 - Undermining fundamental rights to obtain direct or indirect benefit.
 - Using the personal data of employees or third parties to the benefit of the organization or an unauthorized third party.

- Harming, directly or indirectly, the rights of communities and minorities.
- 2) **Integration of the results of the impact assessments in internal processes:** internal control system for preventing and mitigating the identified risks has been developed. First of all, MossIA makes sure that all employees are aligned with MossIA's policies in terms of Human Rights by delivering the Code of Conduct, reminding these policies in monthly project meetings and monitoring through annual performance reviews. These policies also encompass business partners. In this regard, MossIA makes sure that all contracts with its suppliers and subcontractors include clauses related to compliance with fundamental requirements to human rights, employee rights and environmental protection, and sanctions in case of potential breaches, which is monitored by periodic audits.
 - 3) **Mechanisms for reporting and claims:** MossIA has an open-doors policy to facilitate their employees to report any claim in this regard. Additionally, external stakeholders can make any report or complain through the website or mail address.
 - 4) **Remediation:** remediation of adverse impacts that the company's activities could cause or could contribute to generate is a priority for the company.
 - 5) **Report:** transparent and true information on the measures taken to address the negative effects of the company's activities on human rights is given. If serious infringement events are detected these are publicly communicated through the Board of Director Report.
 - 6) **Follow-up of the efficacy of measures and continuous improvement:** the internal processes for preventing and avoiding adverse consequences on the Human Rights of the stakeholders are constantly reviewed in order to improve the company control mechanisms.
 - 7) **Supervision and collaboration with the authorities:** if necessary, the company forwards the matter of abuse of human rights to the appropriate judicial authority, with which it collaborates to the necessary extent.

Occupational Health and Safety

The project's objective is no harm to people on the site and to the community. To achieve this the client and MossIA have established stringent safety guidelines and standards. On the construction site all measures are made to ensure a safe working environment.

Environmental report

The board is of the opinion that MossIA operates within the environmental laws of Norway.

The project must ensure and is focused of the successful environmental management during the execution of the different activities, excavation, material deposit, temporary works and others. From the beginning of the project, no significant issue has been occurred.

Moss, 16th of February of 2023

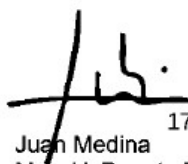
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17/02/2023
Juan Medina
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MossIA Project Director