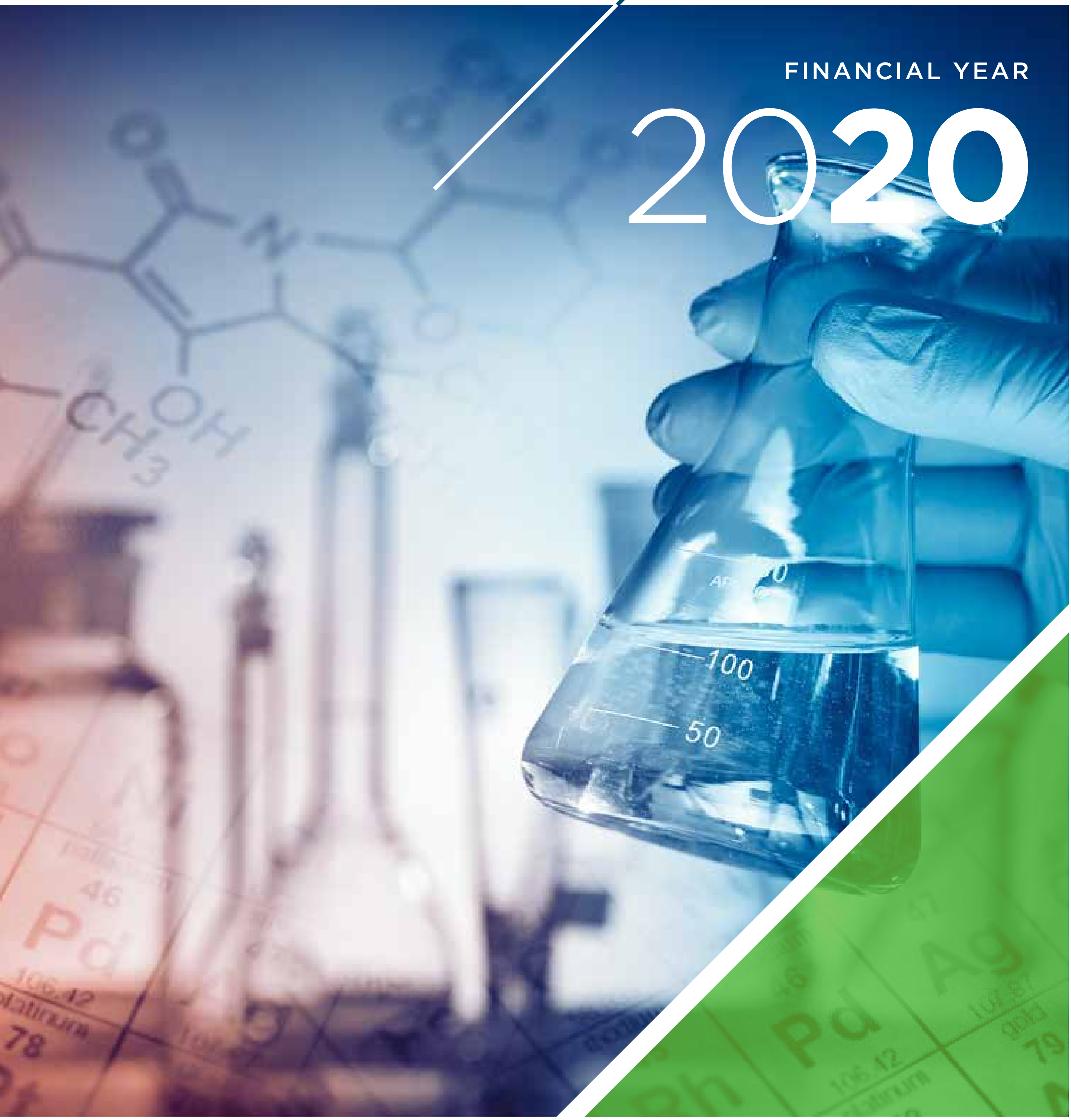
BONDALTI CHEMICALS
CONSOLIDATED ANNUAL REPORT



BONDALTI
EVOLVING CHEMISTRY

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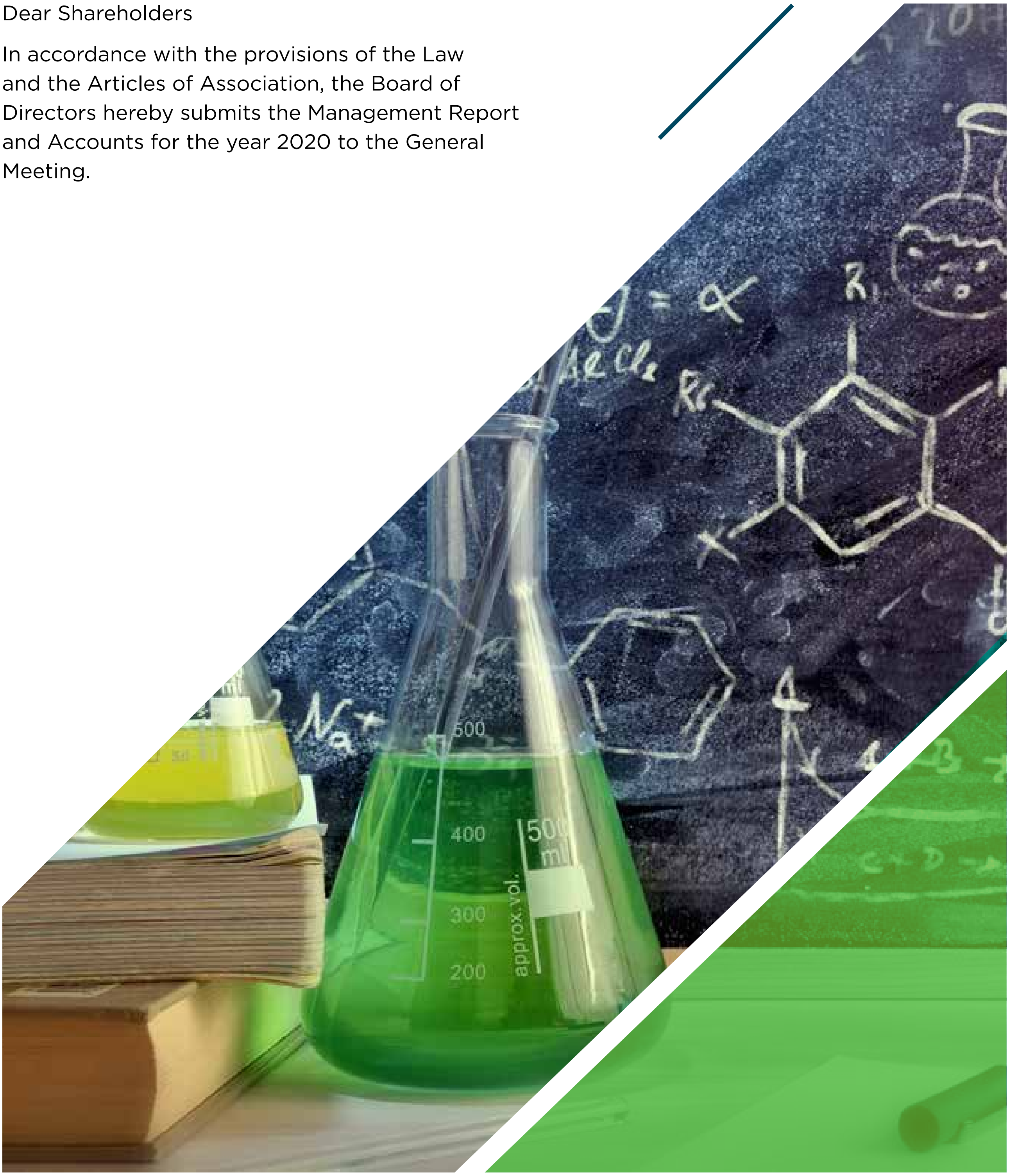
Dear Shareholders

In accordance with the provisions of the Law and the Articles of Association, the Board of Directors hereby submits the Management Report and Accounts for the year 2020 to the General Meeting.



2020 SUMMARY

€237 M
TURNOVER

€41 M
EBITDA

€15 M
NET EARNINGS

1 420 000 T
TOTAL HANDLED AT THE ESTARREJA SITE

330 000 T
TOTAL HANDLED BY BONDALTI AT PORTUGUESE PORTS

106 711 T
TOTAL CHLORINE GAS PRODUCED

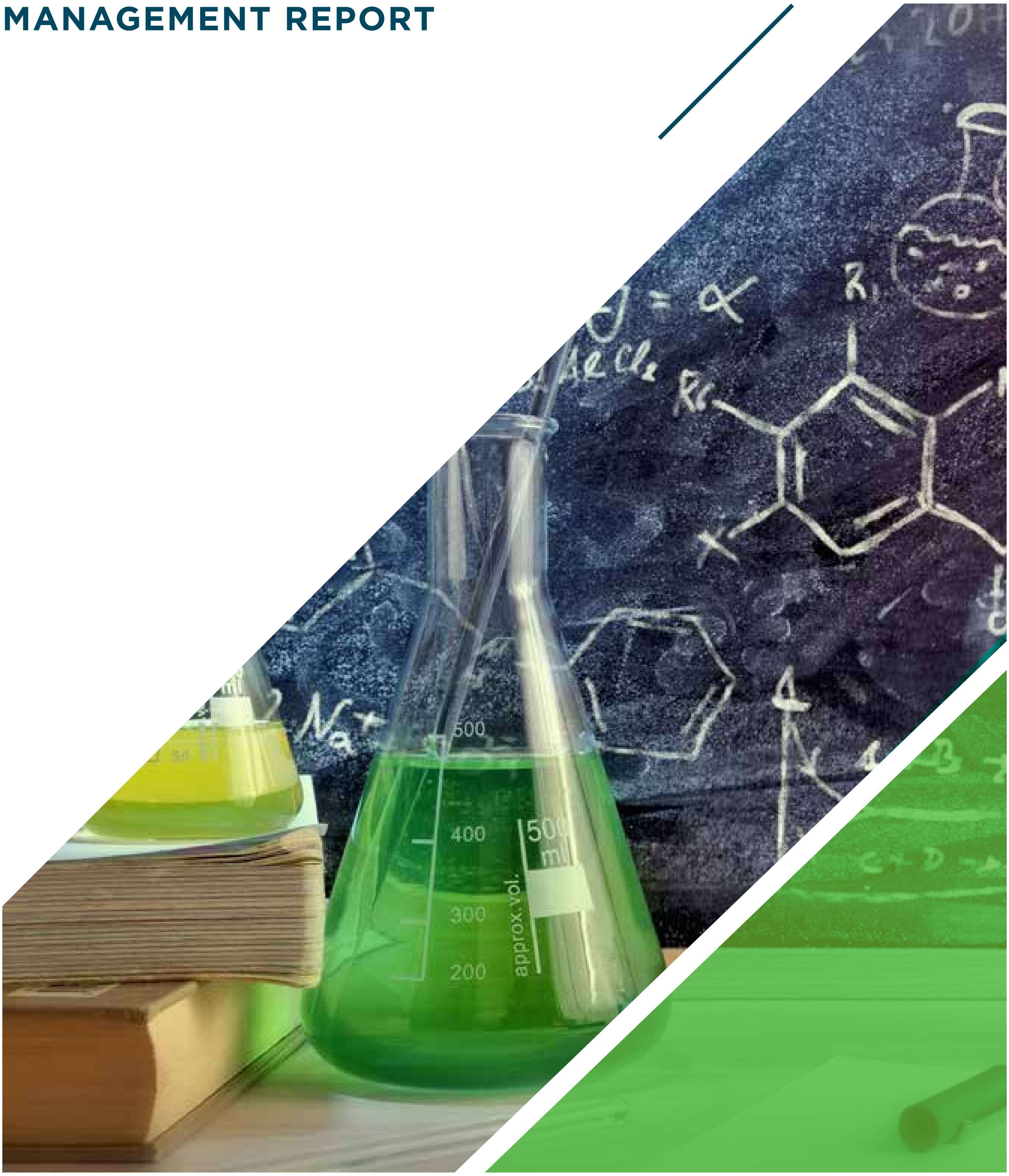
206 133 T
TOTAL HYDROCHLORIC ACID PRODUCED

103 817 T
TOTAL SODIUM HYPOCHLORITE PRODUCED

180 197 T
TOTAL ANILINE PRODUCED

298
EMPLOYEES OF THE TOTAL AMONG THE GROUP COMPANIES

MANAGEMENT REPORT



01. MACROECONOMIC BACKGROUND

The year 2020 was marked by the epidemiological crisis of Covid-19, with marked impacts on a global scale, especially in the months of March and April, although the effects of the reduction in economic activity were maintained throughout the year and extended into early 2021.

The containment measures imposed by almost all countries have resulted in the biggest fall in global economic activity since the Great Depression of the 1930s. In Portugal, GDP reported a record drop of 7.6%, with a sharp fall in exports of goods and services and an unprecedented decrease in revenues from the tourism sector. In the Eurozone, GDP fell by 6.8%. Germany, the biggest economy in the Eurozone, recorded a fall of 5% in GDP, while other countries in the south, such as Spain and Italy, where tourism has a similar weight to that of Portugal, registered falls above the European average.

Given the nature of the financial crash, the Portuguese Government responded with a series of measures to support the economy and employment, in particular a moratorium on bank loan repayments for families and companies, support for the maintenance of employment contracts, credit lines guaranteed by the State to SME and deferrals of tax contributions.

The unemployment rate in Portugal in 2020 stood at 6.8%, 0.3% higher than in 2019, but below all forecasts, with employment support measures remaining throughout of the year and continuing into early 2021. Uncertainty still remains regarding how this indicator will develop when the Government stimulus ends.

The consumer price index showed zero annual variation, mainly influenced by the negative trend in the prices of energy products, after a slight increase of 0.3% in 2019.

Interest rates on sovereign bonds remained at low levels, in line with extremely expansionary monetary policies. Portugal's 10-year sovereign bonds fell sharply in the second half, until they reached, for the first time, a negative value of -0.12% in an auction carried out in early 2021.

The movement in commodity prices over the year was greatly affected by the volatility resulting from the pandemic. Oil, after opening the year at USD 67, was impacted by the sharp fall in demand during the first confinement of March and April, even reaching negative values in the United States, something unimaginable in recent history, with operators liquidating positions on a massive scale due to a lack of storage space for the product. During the last quarter of the year, the values recovered a little, with the price of a barrel closing at USD 52.

For 2021, the impact of the Covid-19 pandemic on the Portuguese economy remains uncertain. The most optimistic forecasts by European governments, including the Portuguese, of a sustained recovery over the year have been replaced by downward revisions and an increase in the budget deficit. Despite the start of the vaccination campaign, a new wave of infections in late 2020 and early 2021 led to confinements that were longer than anticipated, pushing a return to the expected "normality" back to 2022.

02. MOST RELEVANT FACTS

The year 2020 was a very challenging and operationally demanding year for Bondalti Chemicals, but resulted in positive economic indicators, with an individual EBITDA of 35.4 million Euros and net earnings of 14.9 million Euros.

The year was inevitably marked by the Covid-19 pandemic. Since the beginning of the pandemic, in March 2020, Bondalti Chemicals has implemented a range of measures with two fundamental objectives: to protect the health of our people and to ensure the continuity of operations. Various measures were taken, among which the following are of particular importance: production and reserve maintenance teams outside the manufacturing facilities; implementation of signage inside the manufacturing facilities; temperature measurement: repeated testing of our operators and maintenance team; adoption of teleworking for all functions not required locally at the manufacturing facilities; adaptation of work procedures to reduce the movement of people within the facilities; coordination with transporters to guarantee delivery of products to customers; adoption of raw material management policies that guarantee the continuity of operations; among many other actions.

These actions enabled us to have a 2020 without any major incident or breakdown in supply to our customers.

Regarding the investments made by Bondalti, these totalled around 7.3 million Euros, below the budgeted amount (11 million Euros) due to adjustments caused by the limitations posed by the pandemic. In 2020, the multiannual investment to reactivate the elements of HCl and NaCl electrolysis continued, costing 1.1 million Euros, and work began on a new primary salt treatment facility, completion of the associated investment being expected in mid-2021.

On the operations side, in Estarreja, the good performance of the production units should generally be mentioned.

In Spain, in addition to the challenges of managing the Covid-19 pandemic, the year 2020 was marked by various operational challenges at the new Torrelavega unit. Various corrections to the project and improvements of an operational nature were made. We also managed, during 2020, to achieve relatively stable production, fulfilling our customers' orders. Also noteworthy is the contribution of sodium hypochlorite by the Torrelavega unit to the municipalities around the factory to disinfect the streets, as part of measures to combat the pandemic.

03 MOVEMENT OF KEY INDICATORS

	Unit	2016	2017	2018	2019	2020
Turnover	M€	266	323	336	282	237
Operating Cash Flow	M€	39	46	52	44	41
Operating Results (EBIT)	M€	22	24	35	26	22
Operating Results/Sales	%	8.1	7.4	10.4	9.2	9.3
Financial costs	M€	3.3	2.9	2.6	4.9	3.0
Profit before tax	M€	18	21	30	21	19
Net profit	M€	13	16	23	16	15
Cash Flow (NP+Amort.+Provisions)	M€	31	38	42	35	34
Equity	M€	85	89	99	85	89
Net Assets	M€	217	234	232	325	296
Financial liabilities	M€	77	65	55	165	142
Net financial liabilities	M€	53	34	19	130	113
Financial liabilities/EBITDA	Number of x	2.0	1.4	1.1	3.8	3.5
Net financial liabilities/EBITDA	Number of x	1.3	0.7	0.4	3.0	2.8
Equity/Assets Ratio (Equity/Assets)	%	39	38	43	26	30
Average no. of employees (without directors)	No.	319	315	273	302	295
Sales per employee	m€	832	1,024	1,231	932	803

(consolidated values)

04 COMPANIES INCLUDED IN THE CONSOLIDATION

Companies	Equity Holding	Consolidation method
Bondalti Chemicals, SA	100%	Full consolidation
Elnosa - Eletroquimica del Noroeste, S.A.U	100%	Full consolidation
Nutriquim - Produtos Químicos, SA	100%	Full consolidation
Renoeste - Valorização de Recursos Naturais, SA	100%	Full consolidation
Bondalti Cantábria, SA	96%	Full consolidation
Miralcalis - Activos de Produção de Cloro, SA	80%	Full consolidation
AQP - Aliada Química de Portugal, SA	49.9%	Equity method

05. ACTIVITIES AND RESULTS OF BONDALTI CHEMICALS, SA

5.1. BUSINESS ACTIVITY

The year 2020 stood out due to the effects of Covid-19, which caused a drop in sales, mainly in the second and third quarters. Despite the pandemic and all the resulting constraints, we were able to ensure supply to all customers at all times. By doing so, we helped to prevent disruption in our customers' supply chains, the majority of whom operate in such important sectors as water treatment, disinfection and detergents, the pharmaceutical industry, the automotive industry and mobility, the production of electricity, the production of paper, construction, energy efficiency and the production of appliances or household items.

MACRO AND DEMAND-GENERATING SECTORS

At the economic level, the impact of the pandemic on Portuguese GDP generated a historic drop of -7.6%, the biggest recession on record. After the fall in the second quarter caused by the initial confinement to contain the pandemic, and the recovery in the subsequent quarter with the gradual opening up of commercial activity, in the fourth quarter of 2020, with the confinement and restrictions on Christmas shopping, the economy contracted again, leading to the results observed.

In Spain, there was also a historic 11% drop in GDP, the largest in the Eurozone, due to the severe impact of the pandemic on the catering and tourism sectors, which are particularly important for the Iberian economies. The recession of the Eurozone as a whole was around 6.8%.

In terms of demand-generating sectors, practically all dropped back in 2020, although some suffered more substantial falls than others. The construction sector, particularly important in terms of consumption of MDI, experienced a significant drop in output of around 8% in 2020 at European level, but demonstrated a resilience above the average for industrial activity as a whole. In fact, as of the second half of 2020, the strong recovery seen in the sector has led to a growing demand for polyurethanes for thermal insulation, leading to a sharp rise in MDI prices in Europe and globally.

The automotive sector, one of the main European industries and also an important sector generating demand for MDI and chemicals used in the processing of metal (e.g. soda and HCl), suffered a historic drop of almost 25% in terms of vehicle sales within the European Union. In the last quarter of the year, there was some recovery in the sector, albeit quite moderate, and uncertainty surrounds prospects for the future.

The water treatment sector remained quite stable in 2020, particularly with regard to the treatment of drinking water and wastewater, with the industrial segment having suffered a certain fall due to the closure of some production units and the lower demand witnessed.

The paper pulp sector was strongly impacted by the pandemic, especially the printing and writing paper (UWF) segment, in view of the closure of schools, universities and offices during confinement, leading to the temporary closure of several plants in Portugal and Spain. On the other hand, the consumption of paper for the manufacture of household, hygiene and protective products, which had already reported strong growth over recent years, saw a significant increase in demand due to the pandemic, partially offsetting losses in other segments.

The tourism sector, perhaps the most strongly impacted by the pandemic, has suffered severe declines across Europe, but in particular in the Iberian Peninsula. Portugal and Spain lost, respectively, around 17 million and 65 million tourists in 2020. This was reflected in all lines of consumption and associated demand, including the chemicals used for cleaning and disinfecting leisure areas, where Bondalti's products feature strongly.

ORGANIC PRODUCTS

Mononitrobenzene (MNB): Despite the pandemic situation, Bondalti reached the end of 2020 with sales of this product higher than in the previous year.

Aniline: In the second and third quarters there was a big drop in sales in traditional markets (Europe and the USA), however, it was possible to sell in other locations, such as India and South America. In the fourth quarter, the situation changed and the demand for MDI and aniline increased.

INORGANIC PRODUCTS

Soda: There was a further drop in prices, fuelled by imports from northern and central Europe, coupled with a drop in demand. In the fourth quarter, in addition to a resumption of MDI consumption, there was also a major increase in demand for PVC, which led to a greater availability of soda in the market, maintaining the downward trend in prices.

Hypochlorite: Although bleach had been rediscovered as the most effective and cheapest biocide in combating the pandemic, which is creating new consumption habits for this product, the crash in the tourism sector, with the consequent prolonged closure of hotels and swimming pools, both in Portugal as in Spain, had a huge impact on demand for hypochlorite, especially in the summer months, where traditionally there is greater consumption of this type of product.

Hydrochloric Acid: The sharp drop in European car production, particularly in Spain, led to a decrease in the production of sheet metal and, therefore, in the consumption of this acid for pickling and galvanising.

5.2. INDUSTRIAL ACTIVITY

5.2.1. Production of organic products

Aniline production in 2020 was 180,197 tons (t), representing an increase of 1% over 2019.

At the Mononitrobenzene plant, production of 269,998 t was achieved, which corresponded to an increase of 2% over the previous year.

In terms of nitric acid, there was an increase of 5%, with a production of 218,226 t.

The sulphanilic acid plant produced 1,760 t, a 20% decrease compared to the previous year, as a result of a decrease in sales.

Cyclohexylamine production was 391 t, a 26% decrease compared to 2019.

In relation to cyclohexanol, production was 252 t, corresponding to a reduction of 11%.

The first half was marked by a sharp drop in sales in May and June, due to the Covid-19 pandemic.

In July, the second acid scrubber started operating in the nitrobenzene unit, allowing for a considerable increase in production capacity. Maximum monthly production was exceeded in August and also in December.

In 2020, new employees were hired in the production of aniline and derivatives, continuing the ongoing renewal process.

5.2.2. Production of inorganic products

Despite the negative effects that the pandemic crisis had on public health and the various sectors of economic activity, it was possible to keep the production facilities, essential in combating the pandemic, functioning continuously, thanks to the effort, responsibility and resilience of our work force.

Regarding the quantities produced in 2020, we have to report the following values:

- In the electrolysis of NaCl and HCL, 106,711 t of chlorine gas were produced (11% down on the previous year), 76,762 t of caustic soda and 2,915 t of hydrogen;
- In the sodium hypochlorite production unit, a total of 103,817 t was produced, 30% less than in 2019;
- The production of hydrochloric acid in the Absorption and Synthesis units totalled 206,133 t, which represents a 5% drop.

Specific consumption of the main raw materials, salt and energy, remained low and in line with the budget.

In December, the consumption of salt provided by ICL (Súria) was successfully tested.

Also noteworthy is the support given by a number of key members of the Estarreja Production team in consolidating and troubleshooting Bondalti Cantábria's production activities.

The training of new employees to continue the ongoing renewal process was also a challenge that deserves to be highlighted in view of the limitations imposed by the pandemic.

5.2.3. Maintenance

During the year 2020, industrial maintenance and warehouse and stock management activities were affected by the pandemic, forcing the implementation of preventive measures, specifically a reduction in the size of the team. Despite this fact, and with the adoption of the strategy followed in previous years, in line with best international practices in the sector, the reliability and safety of operations was guaranteed.

For five days during the month of June, a pit-stop was performed at the Estarreja chemical complex to carry out essential maintenance activities to guarantee operations with minimal disruption until the general shutdown.

In 2020, the most significant factors in terms of Maintenance activities were:

- Total maintenance costs were around 2.3% above budget, essentially due to the extra costs associated with the pandemic and due to extraordinary activities during the pit-stop and electrolysis;
- The production units ended the year 2020 with an average availability of 98%. This slight decrease is essentially justified by the problems at the MNB unit, the mitigation of which will only be possible during the next general shutdown. Globally, this value remains in line with the best practices in our international benchmarking;
- The process of renewing the team continued, with the departure of the most senior staff members and the admission of new employees, with transmission of knowledge to the younger staff being ensured;

- Some critical assets (heat exchangers and columns) were successfully replaced, this need having been identified during the last general shutdown.

The increase in the availability of production units, the reduction of costs and activity free from work accidents, industrial accidents and environmental incidents remain the pillars of the strategy for the year 2021. Focus on the dematerialisation of processes, with the objective of increasing the effectiveness and efficiency of Maintenance activities, will also be an essential point in 2021.

5.2.4. Analytical control

In addition to the analytical control of production processes, the laboratories also performed some tasks in 2020 that are worthy of note:

- Analytical support for various DTEPD (Technology, Process Engineering and Development) projects, with emphasis on tests resulting from an increase in the capacity of the MNB production plant and tests that helped in the definition of the liner material for the dissolver of the primary salt treatment project;
- Analytical support for Bondalti Cantábria;
- Analytical support for the hypochlorite NI removal project.

5.2.5. Technical area

The Technical Division maintained the lines of action around the strategic pillars of the company, namely the "Reinforcement of the core", the "Promotion of sustainability" and in a continuous commitment to innovation. The results of its activity are primarily aimed at creating value through projects and actions aimed at reducing costs, both those related to energy and raw materials, and through greater efficiency and safety in industrial processes. It is also an objective to implement actions that improve sustainability and efficiency in the use of natural and energy resources, and that, in general, contribute towards a culture of innovation.

In most cases, the projects of the Technical Division have a genesis and an internal management, counting on the participation of the various technical areas of the organisation for their implementation. The use of multidisciplinary and transversal project teams has contributed towards making project management more effective and enhancing the increase in internal skills.

In 2020, despite the impact on the execution of the planned activities caused by the Covid-19 pandemic, at least four major initiatives stood out due to their scale and the resources involved:

- Technical support in the consolidation of operations at Bondalti Cantábria, after the start-up of the new membrane cell electrolysis plant and associated units, in late 2019;
- Increase in capacity in the production of nitrobenzene (Phase I) at Bondalti Chemicals;
- Completion of construction and commissioning of the new salt dissolver (primary salt treatment project) at Bondalti Chemicals;
- Development of the H2Enable project, for the production of green hydrogen, with submission of an expression of interest to the IPCEI for H_2.

5.2.5.1. SHE (Safety, Hygiene and Environment) and Quality

Safety, Hygiene and Health

The year 2020 was marked by the Covid-19 pandemic, which required strict control and permanent monitoring of the risks associated with the safety and health of employees.

Against this background, the performance of the safety area was essentially focused on the following activities:

- Ensuring compliance with Environmental and Occupational Health and Safety Policies, and the Prevention of Major Accidents at the sites;
- Ensuring compliance with the training plan and continuous awareness-raising among all employees and service providers in matters of health, safety and the environment;
- Ensuring internal legal compliance.

However, and within the limitations imposed by the pandemic, some internal training was provided in the following areas:

- Testing of intercoms, loudspeakers and fire, accident and gas leak press button controls;
- Exposure to hazardous chemicals (safety regulations) + storage and cleanliness;
- Noise protection;
- Potentially explosive atmosphere awareness;
- Internal Emergency Plan training.

At Bondalti, in 2020, the investments managed by the Safety area were in the order of 35,000 Euros and were essentially aimed at reducing the risk of industrial accidents and improving the operability and effectiveness of the means of mitigation.

During the year 2020, there were no major industrial accidents, but there were two accidents at work that resulted in lost working days.

Environment

During the year, emphasis was placed on environmental legal compliance, the conclusion of the process for allocation of CO_2 emission licenses for the period 2021-2030 and the identification of environmental improvement actions.

Under the Climate Transition Programme, various actions were implemented to define the goals and objectives of the programme, as well as its areas of operation.

At Bondalti, in 2020, the investments managed by the Environment area were in the order of 15,000 Euros and were essentially aimed at reducing environmental and health risks, namely the prevention and control of Legionella.

During the year 2020, an environmental incident was recorded, with no environmental damage.

5.2.5.2. Technology, Process Engineering and Development (DTEPD)

The actions implemented by the DTEPD are essentially of three types: 1) Participation in Research and Development (R&D) and/or Industrial Implementation Projects; 2) Technical Support for the different areas and 3) Procedural/Technological Surveillance.

Industrial Implementation Projects

During the year 2020, various projects were executed (the majority of which were internally designed), totalling around 700,000 Euros of investment, which allowed, in the aniline and derivatives (PAD) and Chlor-Alkalis (PCA) production units, increase production capacity, energy efficiency, the security of installations, the robustness of operations and reduce environmental impact.

Of the various actions, the following stand out due to their scale and impact:

- Increase in nitrobenzene production capacity (Phase I);
- Completion of the project to adapt the thermal oxidation unit for effluents, for the recovery of intermittent diffuse waste gas emissions;
- Development of a network for the collection of intermittent diffuse waste gas emissions (Phase I);
- Concentration and recovery of heavy aniline effluent, reducing waste generation;
- Development of a project to increase the energy efficiency of aniline distillation;
- Project to increase the reliability of cyclone separation of sulphanilic acid;
- Study on particle emission in the sulphanilic acid factory, anticipating more restrictive legislation.

Development and Research Projects

Various R&D projects are taking place at Bondalti, some of which are associated with doctorates, which are developed in partnership with major Portuguese universities, in the area of chemical engineering.

In 2020, two doctorates were completed, the first of which formed part of the company's Circular Economy policy, given that its theme was the recovery of the generated by-products (cyclohexanol and cyclohexanone). The second doctorate had as main motivation a reduction in costs (energy, maintenance, etc.) in the production of chlorine and soda by means of brine electrolysis, focusing on the study of anode ageing. There are three doctorates in the conclusion phase, one on the optimisation of the nitrobenzene hydrogenation reaction, another on the optimisation of separation in the aniline plant and, finally, another on the nitration of benzene.

Particular noteworthy is the intention to maintain R&D activities linked to the development of a disruptive technology that allows the production of aniline through the direct amination of benzene. A doctorate associated with this aim is underway.

Ageing studies were carried out on the catalyst used in the production of aniline and, in collaboration with a university entity, an analysis was carried out of the performance of heat transfer in the same reaction, using advanced statistical methods. Research work on the production of MNB also continued, with the aim of controlling decomposition reactions during nitration. In order to detect opportunities for increasing energy efficiency, a systematic study was carried out, in which the production of energy with low thermal value was quantified and consumption opportunities were inventoried.

With respect to the sustainability of the water system that feeds the industrial unit with water, a study was carried out that reached a conclusion regarding the potential recycling around 70% of the water that is currently fed to the cooling towers.

Technical Support and Procedural/Technological Surveillance

During the year 2020, the technical support that the DTEPD has been giving to areas such as Production (PAD and PCA), Maintenance, Safety, Hygiene and Environment, Project Engineering and Analytical Control, was maintained.

Technological surveillance and procedural surveillance activities were also carried out regularly at the PAD and PCA, with monitoring of energy consumption, specific consumption, procedural reliability and explanation of abnormal operations.

5.2.5.3. Project engineering

As in previous years, in 2020, this department maintained its focus on technical support and project management related to strategic investments and improvements and/or modifications to existing units.

Support for Bondalti's Internationalisation Strategy

Bondalti's internationalisation support activities, namely in the chlor-alkali area, supported the consolidation of operations in Torrelavega (Cantábria/Spain), after the start-up of the new Membrane Cell Electrolysis installation and associated units, at the end 2019.

Optimisation of Operations

Several areas of the Company were also supported in the development and execution of various projects for the improvement and optimisation of the PAD and PCA units. The following stand out due to their scale and impact:

- Sea Salt Treatment Facility: Work continued on the detail project for the new sea salt plant, which is expected to be put into operation during 2021, due to a certain delay in the delivery of key equipment resulting from the pandemic affecting Europe;
- Several projects have been implemented in order to enhance industrial safety, including:
  - → Continuation of the phased project involving the installation of safety valves in each of the liquid chlorine tanks: completion of the mechanical assembly and start-up of the instrumentation assembly with connection to the DCS;
  - → Upgrading of the "spectacular": drafting of a detail project for the new piperack and all associated piping, which will be diverted in order to allow the demolition of the current piperack, which is in a bad state of repair;
  - → Improvement of the operating conditions of the ammonia ramp unit, with the installation of loading arms with the latest technology (the current technology is obsolete, and there is a lack of spare parts). The replacement of the loading arms will be phased (1 arm/year), but the immediate implementation of adapters to connect the old arms to the new wagons and the new arm to the current wagons is planned;
  - → Licensing of lines covered by DL 131/2019: the identification of lines to be licensed at the PCA and PAD units (e.g. aniline and MNB production facilities) continued, with the intention of carrying out inspection work, hydraulic testing and licensing during the next general maintenance shutdown.
- The improvement of social amenities continued, with the completion of the construction work for the Balneário de Turnos PAD.

5.2.5.4. Transversal Projects and Performance

The actions developed by DPTP essentially fall into three categories: 1) Development of Transformational Innovation and/or Industrial Implementation Projects; 2) Technical support and project management and 3) Support for internal auditing and risk management activities.

During 2020, the following projects in the area of green hydrogen stood out due to their scale and impact:

- The H2Enable project, for the production in Estarreja of green hydrogen and green ammonia, an expression of interest having been submitted to the IPCEI for H_2;
- Preparation of a proposal for the establishment of a national collaborative green hydrogen laboratory (HyLab), with Bondalti being one of the main industrial promoters.

5.2.6 Integrated production and energy planning

During 2020, the integrated production planning methodology was reinforced, with an increase in the level of information reporting. The Cleopatra 4.0 project was also launched, in partnership with the INEGI, which aims to implement a new computerised planning system allowing the integration of the various business areas of all the industrial sites, in order to optimise the planning of production, commercial, purchasing, logistics and maintenance operations, in a holistic manner.

In 2020, at the Estarreja complex, Bondalti Chemicals consumed 319 GWh of electricity and 123 GWh of natural gas, with a turnover of more than 21.5 million Euros. Due to contractual renegotiations and the optimisation of operations, it was possible to reduce the average unit cost by approximately 14% compared to 2019.

The year 2020 was also marked by Bondalti's active participation in a pilot project for consumer participation in the regulation reserve market.

5.3. SUPPLY CHAIN

PROCUREMENT

In 2020, purchases totalling 250 million Euros were negotiated.

The structure by lead category continues to represent the form that allows the management of resources and knowledge of the business, which, in the context of the pandemic, allowed us to focus on and discover solutions in the face of constraints in supply chains. While working to mitigate the impact of interruptions to supply chains, there was also a need to adapt to new ways of working and negotiating.

Bondalti's Procurement Team was able to mitigate the impacts of the pandemic, ensuring the continuity and competitiveness of the raw material supply chain, both in terms of the handling and the management of sources of supply, as a result of permanent and close liaison with the various business partners. And so, it was once again recognised by the EIPM, winning the 2020 EIPM-Peter Kraljic international award in the category "Master of Business Continuity", which recognised, precisely, the ability to take measures and adopt best practices in these times of unique demands resulting from the Covid-19 pandemic, maintaining its supply network on a full scale. These awards, promoted by the European Institute of Procurement Management - a globally recognised institution - distinguish purchasing organisations worldwide for their practices and for being considered a model to be followed.

LOGISTICS

At Bondalti, raw materials and finished products are handled using different means, namely sea, road and multimodal transport. The choice of mode depends on the distance and the logistical solution implemented. On the site, products are moved by means of a pipeline.

In 2020, at the Estarreja complex, more than 1.42 million tonnes were handled, a decrease of 5% compared to 2019, although a greater reduction was expected in light of the pandemic. With regard to the representativeness of modes of transport in product handling, the breakdown was as follows: road 49%, pipeline 24%, sea 23%, rail 3% and multimodal 1%. Through its activities, Bondalti ensured more than 330,000 tons passed through domestic sea ports.

Bondalti applies best practices in terms of safety in the handling of products and raw materials, as well as in the choice of service providers involved, with a focus on responsible practices.

REGULATORY AFFAIRS (REACH, BIOCIDES AND OTHERS)

During 2020, the process of evaluating the dossier for biocidal chlorine product was completed by the competent authority; the dossier for biocidal sodium hypochlorite product will be evaluated in 2021.

Bondalti followed the European Strategy for the Chemical Industry, being a member of groups established for this purpose by the European Chemical Industry Council. Under the emerging chemical regulations, it continued to monitor regulatory developments and their potential impact on the markets. The Brexit negotiation did not include the continued application of the REACH Regulation in the United Kingdom, so a new regulation came into force on 1 January 2021, which Bondalti is in a position to follow.

5.4. HUMAN RESOURCES

In 2020, implementation of the Human Resources plan continued, based on strategic axes, promoting a range of different programmes and consolidating others of a structural nature for the development of people and the organisation. In this regard, it is important to remember what these strategic axes are and consolidate their alignment with the corporate strategy and EFR (Family Responsible Company) Measures Plan.

Strategic Axes for Human Resources	Projects Implemented 2020
OVERALL MANAGEMENT/Corporate Ensuring the overall management of employees, implementing models and policies that reconcile the mainstreaming resulting from Bondalti's strategy and values, with due regard for the specific characteristics of the business and geographies	• Project for talent management and career planning, with the implementation and digitisation of the process on the 4Learn platform • HR policies and instruments that are in line with Bondalti Cantábria and Elnosa
CONTINUOUS DEVELOPMENT Empowering leaders and teams, developing critical skills to achieve the goals set for the business	• Training (e-learning, on demand and face-to-face)
TEAM COHESION and WELL-BEING Strengthening Bondalti's identity and culture, maintaining respect for people, recognising their contribution to the objectives achieved and involving them in the path to be taken	• Consolidation of EFR measures • Certification as a Family-Responsible Company
REJUVENATION Promoting the rejuvenation of Bondalti's human capital, ensuring the building of knowledge and experience between generations	• 4x4 Training • Implementation of the Rejuvenation Plan

The year 2020 began with the certification of Bondalti as a Family Responsible Company (EFR), promoted with the support of the Fundación MásFamília. EFR certification aims to create a work culture that achieves a balance between professional and personal/family life. This process, like any audited management process, is subject to continuous development, which is monitored by means of a set of indicators. These indicators are associated with a conciliation plan.

The year 2020 was inevitably marked by the Covid-19 pandemic. Accordingly, from the beginning of the pandemic, in March 2020, Bondalti's Executive Board decided to adopt several preventive measures with a view to protecting its employees and preventing the spread of the virus in the community, in accordance with the guidelines of the DGS, as well as ensure continuity of operations at the Estarreja and Torrelavega sites and at logistical depots. A Contingency Plan was established and Newsletters were regularly disseminated to all employees containing a situation report regarding Covid-19.

Among the various measures adopted, the following are of particular note:

- provision of masks and other protective equipment;
- production and maintenance teams on standby outside the factory, being called in only where absolutely necessary;
- implementation of signage on the premises;
- control of body temperature at the entrance of the facilities;
- repeated testing of operators and maintenance staff, as well as others whenever necessary, to screen for and disrupt potential chains of transmission within the company (978 tests up to 31 December 2020);
- adoption of teleworking for all functions where this is feasible.

Under the measures adopted to mitigate the impacts of the pandemic, the regular monitoring of the Human Resources team and all employees should also be mentioned.

CONSOLIDATION OF THE FAMILY RESPONSIBLE COMPANY - EFR MEASURES

As a whole, the EFR Project aims to encourage the active collaboration of all employees, with the involvement of the hierarchical structure, based on the efforts and commitment of Top Management.

The process started in 2017, and certification was obtained in 2020. In 2021, Bondalti will buttress its position as an EFR company through internal and external audits.

Among the measures planned for 2020, the following stand out:

- Systematisation, standardisation, transversality and monitoring of the conciliation measures;
- Raising awareness of the EFR Model with training for leaders and face-to-face sessions with all employees;
- Consultation of employees regarding their use of and satisfaction with the EFR measures and analysis of results;
- Performance of audits within the scope of certification in the EFR 1000-1 Standard.

The Covid-19 pandemic also threw up challenges with respect to the EFR: on the one hand, it did not allow the accomplishment of everything that had been planned, and, on the other, it demanded that Bondalti meet the needs of its employees, not only conciliating professional life with personal and family life, but also, in many cases, working on their integration, due to employees needing to offer support to their families.

In 2021, the level of training and involvement of management in the conciliation model will be bolstered, in order to intensify this positioning.

TALENT MANAGEMENT AND CAREER PLAN PROJECT, WITH THE OPERATIONALISATION AND DIGITISATION OF THE PROCESS ON THE 4LEARN PLATFORM

In 2019, the talent management project started, with the design of Bondalti's talent model, in order to support the identification, management and development of the employees who contribute, or will contribute, the most towards the success of the organisation. Although the first talent assessment cycle was planned for 2020, this proved impossible due to the change in priorities brought about by the Covid-19 crisis. The same happened with the operationalisation of the Career Plan. These projects were carried over to 2021.

SKILLS DEVELOPMENT THROUGH VOCATIONAL TRAINING

In 2020, investments continued to be made in the development and training of Bondalti's employees. However, the pandemic brought about challenges that prevented the fulfilment of all of the training plan. There was a reduction in the total volume of training received compared to the previous year. The pandemic forced the cancellation of most face-to-face training, which is the most common format, since most training has a practical component that the remote model cannot replace.

As a result, remote training took prominence.

However, the promotion of continuous training aimed at employees on topics such as safety, mitigation of risk behaviour or occupational health, was a constant.

In 2020, due to the pandemic, sessions were only held during the months of January and February on the following topics:

- "Testing of intercoms and loudspeakers and fire, accident and gas leak press button controls";
- "Exposure to hazardous chemicals (safety standards) + storage and cleanliness";
- "Noise protection";
- "Potentially explosive atmosphere awareness";
- "Internal Emergency Plan Training".

RENEWAL PROGRAMME

As part of the renewal programme, the sixth edition of 4x4, the on-the-job training programme, was held with a view to inducting young people into Bondalti. This programme, too, was subject to delays and some of the induction training had to be carried out remotely.

PERFORMANCE APPRAISAL

Once again, a performance appraisal was carried out for all employees, using the Performance Management System in force at the company.

STAFF

a) Average number of staff:

Company	2020	2019
Bondalti Chemicals, SA	247	251
Elnosa - Eletroquimica del Noroeste, S.A.U.	9	11
Nutriquim - Produtos Químicos, SA	1	1
Renoeste - Valorização de Recursos Naturais, SA	3	4
Bondalti Cantábria, SA	38	38
Total	**298**	**305**

(including directors)

b) Pensioners:

Date	Assets	Survivors	Retirement	Total
31/12/2020	1	62	88	151

It should be noted that the total number was reduced by 14 pensioners.

INTERNSHIPS AND GRANTS

Under the umbrella of human resources development, specifically with regard to the strategic relationship between the Company, cooperating universities, associations and secondary schools, the promotion of a series of internships/scholarships continued:

- 3 Doctoral Corporate Research Grants (BDE) at Bondalti Chemicals
- 4 Curricular Internships at Bondalti Chemicals

In 2020, five young people joined the company's staff and participated in the on-the-job apprenticeship project (4x4 training of the same year).

5.5. INFORMATION SYSTEMS

The year 2020 was greatly influenced by the prevailing pandemic. From the installation of the physical hardware necessary to allow employees to engage in teleworking, to the expansion of software to ensure timely operation without impacting the different areas of the Company, this constituted an enormous challenge for the various departments of this Division, which, despite the inherent complexity, managed to keep the entire Organisation up and running.

Additionally, there was a reorganisation of this Division, which moved to a model based on three departments due to the inclusion of the area of automation and industrial control. One of the priorities was the integration and sharing of synergies between them, in order to optimise overall operation. Among other initiatives involving the broad collaboration of synergies between areas, a project to intensify information security measures was implemented.

INFORMATION SYSTEMS - INFRASTRUCTURE AND HELP DESK

This department is responsible for the management of the hardware/software and communications infrastructure necessary for the correct functioning of the application systems of the various areas of the Company. In particular:

- Information security continued to be a major focal point in 2020, continuing on from the 2019 project, with further implementation of the roadmap of initiatives derived from it;
- With the emergence of the Covid-19 pandemic, there was a need to implement solutions for teleworking - not initially foreseen in the security project - that would guarantee safe access, by employees, to Bondalti's application platforms;
- As planned, Bondalti migrated the expected workloads to a Microsoft AZURE Datacentre (cloud);
- The migration of the telecommunications operator (Voice, Mobile voice and Data) was initiated and successfully completed, with the exception of the Bondalti Cantábria site, for contractual reasons;
- Bondalti continued to provide services, in some cases partially and in others, under a full outsourcing system (infrastructure and application management), to other companies in the José de Mello Group and beyond.

INFORMATION SYSTEMS - APPLICATION MANAGEMENT

This department is responsible for the management of corporate applications and involves the development of solutions resulting from Company needs.

Among other activities, the implementation of a digital archive of invoices to customers and suppliers, which are received by certified PDF, was significant in 2020 and had a great impact on the efficiency of the Company, in particular the following:

- Now that there is a need to issue electronic invoices to public bodies, and following a strategy of modernising and streamlining administrative processes, Bondalti opted for a solution for issuing electronic invoices to customers that allows for their legal dematerialisation, mitigating the need to keep an archive of duplicates and triplicates of invoices issued to customers;
- These processes are subject to electronic signature validation and authentication mechanisms, and an SAAS - Software as a Service architecture, integrated with the ERP, SAP R/3, was used in the implementation of the system;
- A process of receiving invoices from suppliers with certified PDF documents was also implemented, thus eliminating digitisation and approval cycle processes and doing away with the need for a physical archive.

At Bondalti Cantábria, some improvements were also made in relation to the stabilisation of processes.

5.6. INNOVATION AND SUSTAINABILITY

INNOVATION

Bondalti sees innovation as one of the fundamental pillars to guaranteeing its sustainability and increasing its competitiveness in the different markets in which it operates. Accordingly, the company continuously invests in Research, Development and Innovation (RDI) activities, which create value through projects that aim to improve the efficiency of industrial processes. These are systematically monitored using an RDI Management System based on the Portuguese Standard 4457:2007.

Through the established R&D and Innovation indicators, and with the aim of presenting an evolutionary and comparative analysis of the results of RDI during the first half of 2020, Bondalti developed and prepared for internal dissemination its 2019 RDI Report, which was published as a summary document in the various means of internal and external communication.

During 2020, and under the projects funded, there was a great effort involved in starting up, monitoring and preparing payment requests, but also in closing down funded projects. Annually, and as in previous years, Bondalti Chemicals' application for the R&D Tax Incentive System (SIFIDE II) was also developed internally and submitted. This system aims to assist companies in R&D activities, through its support mechanism for deducting eligible expenses from assessed Corporation Tax.

It should also be noted that, in the last quarter of 2020, Bondalti organisationally and functionally restructured the SGIDI Committee (giving it a new remit), renaming it the Innovation Committee. Under its remit, this Committee intends to support the Executive Board in guiding and defining Bondalti's Innovation Strategy and Policy, proposing and following the general lines of the Research, Development and Innovation Management System (SGIDI), with a view to improving its performance, and continuously promoting sustainable innovations focused on improving the efficiency and effectiveness of processes and/or exploring growth opportunities that allow for the achievement of disruptive innovations.

SUSTAINABILITY

As in previous years, in the first half of the year there was a heavy focus on the collection, analysis and consolidation of Bondalti's financial and non-financial information for the publication of its 2019 Integrated Report, which, for the first time, presents Bondalti's response to the indicators and goals laid down in the SDG. In order to improve communication of the Organisation's performance, a Sustainability microsite was developed, on which the main results disclosed in the Integrated Report are presented in a concise, dynamic and accessible manner to all stakeholders.

With a view to more regular reporting throughout the year, a semi-annual report on sustainability indicators was prepared containing the main GRI indicators, thus supporting management.

Also of note is the development of Bondalti's Corporate Social Responsibility Programme, which intends to strategically align, consolidate and expand the social activities already implemented within the Company, as well as such new initiatives as may be proposed. The Programme followed a principle of incorporating activities into fronts dedicated to the Sustainable Development Goals, taking into account Bondalti's strategy and materiality.

Mention should be made of Bondalti's participation on the BCSD Portugal Charter of Principles Committee, as a member of the task force dedicated to the development of the methodology for implementing the Principles established in the Charter for signatory companies, through a set of objectives, targets and indicators in furtherance of sustainability.

At the end of 2020, Bondalti Chemicals was reassessed by ecoVadis with regard to its sustainability practices, more specifically the areas of Environmental, Labour and Human Rights, Ethics and Sustainable Purchasing. In this evaluation, Bondalti reached an overall score of 78 points out of 100, thus achieving the highest level of recognition for the award of a Platinum medal. This result places Bondalti among the best companies evaluated by EcoVadis - the Top 1% - its score being 32 points above the average for companies in the sector and representing an improvement of 6 points compared to the previous year.

06 ECONOMIC AND FINANCIAL ANALYSIS

Despite the pandemic experienced in the year 2020, Bondalti's cash position continued to reflect the soundness and resilience that characterised it in previous years. Receipts from customers and payments to suppliers were not significantly impacted by the situation, and there was no need to take advantage of the credit moratoriums offered by the Government as part of the extraordinary support to ease the cashflow situation of the most badly affected companies.

After refinancing all financial debt in 2019, through the contracting of a syndicated long-term loan with eight banks, in 2020, Bondalti presented lower financial costs than in previous year and, as expected, reduced gross and net financial debt.

Some short-term lines were negotiated and subscribed in Portugal and Spain, which allowed an increase in the amount contracted and a reduction in their financial costs.

The company continues to present a robust economic and financial situation, reporting Net Earnings of 14.9 million Euros in 2020.

Turnover reached 214 million Euros, 44 million Euros down on the previous year, reflecting the decrease in the price of the main raw materials, although this effect in terms of gross margin is mitigated by the indexation of buying rates in sales of organic products.

The results were also affected by the earnings of the investees:

- Renoeste and Nutriquim, which had no activity in 2020 and reported negative net earnings of 216,000 Euros and 118,000 Euros, respectively;
- Bondalti Cantábria, in the year in which production started up, with negative net earnings standing at 3.118 million Euros and lower than expected sales due to the contraction in demand for inorganic products caused by the pandemic;
- AQP reported positive net earnings of 888,000 Euros;
- Elnosa, with another year of chlorine and derivatives trading operations, reported positive net earnings of 564,000 Euros.

Gross debt at the end of 2020 reached 140 million Euros, all of which relates to medium and long-term debt refinanced in 2019.

The financial autonomy ratio rose to 31.5%, after falling to 28% in the previous year, with the refinancing.

The Net Financial Liabilities/EBITDA ratio remained at 3.28x, a level similar to 2019, although, at a consolidated level, it improved and closed the year at 2.79x.

Exposure to price risk for benzene, the most important raw material in the operation, was mitigated through hedging contracts with suppliers.

Also in the context of reducing exposure to market risks, the company contracted operations to hedge the price of other raw materials, the cost of which is included in financial profit or loss.

07. ACTIVITIES OF ASSOCIATED ENTERPRISES

ELNOSA – ELECTROQUÍMICA DEL NOROESTE, S.A.U.

In 2020, Elnosa continued to focus its activity on trading products manufactured by external entities, namely by Bondalti Chemicals, with turnover in this business area reaching 15.4 million Euros, 15.6 million Euros down on 2019, against the backdrop of the start-up of activities at the Torrelavega plant, which began to supply directly, through Bondalti Cantábria, the customers that had been supplied by Elnosa since the discontinuation of industrial operations in Pontevedra.

Positive net earnings amounted to 563,900 Euros, lower than in 2019, also impacted by the low prices charged during the year for soda and hypochlorite.

RENOESTE – VALORIZAÇÃO DE RECURSOS NATURAIS, S.A.

Renoeste's activities were based on the supply of brine by REN, which resulted from the extraction of salt necessary for the construction of caverns for gas storage. The discontinuation of construction of new caverns meant that the supply of brine was suspended.

The fact that investors were not attracted to the operation led to the discontinuation of an economically productive activity, with the total impairment of all equipment and buildings pertaining to the company and an impairment for the value of the land being recorded in 2017, and a total impairment of stocks being reported in the 2018 financial year.

Efforts continue to find an investor for the company's assets.

The negative net earnings for the 2020 financial year amounted to 215,900 Euros.

AQP – ALIADA QUÍMICA DE PORTUGAL, S.A.

The 2020 financial year at Aliada Química de Portugal was, in operational terms, very normal. There were no accidents or operational incidents and production stood at 34,500 t, 4% higher than in 2019.

The value of the company's sales increased by around 5%, due in part to exports.

There was severe pressure on selling prices in Portugal, but the company's earnings increased compared to the previous year, due, in part, to the increase in exports.

In the year of 2020, positive net earnings of 888,200 Euros were reported.

NUTRIQUIM – PRODUTOS QUÍMICOS, S.A.

The Company ceased production in May 2012, with APA approving the decommissioning of the facilities in July 2017.

By the end of 2018, the entire manufacturing area had practically been decommissioned, with the exception of the reactor building and Dorr I.

In order to complete the decommissioning of the buildings in the Dicalcium Phosphate plant, in February 2019, CMB was asked to extend the licence period and APA was also asked for authorisation to complete the work.

In the first quarter of 2020, the conditions imposed by the APA were created to restart the decommissioning work, but, due to the Covid-19 pandemic, this was delayed and ended up only restarting in the month of June, with the remaining buildings being dismantled at the end of July. At the end of September, the sacking of all waste in big bags was completed, and the company awaits an opinion from the APA regarding where it should be sent for the corresponding treatment.

This process is expected to be completed by the end of June 2021, even with the delays caused by this new confinement at the beginning of the year.
In 2020, negative net earnings of 118,200 Euros were reported.

BONDALTI CANTÁBRIA, S.A.

The installation project for the Membrane Cell Electrolysis unit at Torrelavega, Spain, kicked off in late 2019, with production start-up testing beginning in late November, and continuing into the first few months 2020.
The 2020 financial year was severely affected by the pandemic, in particular the second and third quarters of the year, traditionally stronger in the consumption of hypochlorite for the hotels and swimming pools segment. Soda prices remained low, impacted by the fall in demand and an increase in imports from northern Europe. The slowdown in industrial activity in Spain also led to lower consumption of hydrochloric acid.
A slight pick-up in demand is expected in 2021, although the trend of low prices is likely to remain.
In the financial year 2020, negative net earnings of 3.188 million Euros were reported.

MIRALCALIS - ACTIVOS DE PRODUÇÃO DE CLORO, S.A.

As part of the conversion of a chlor-alkali unit in Spain for Electrolysis of Membrane Cells by Bondalti Cantábria, SA, the company MIRALCALIS - Activos de Produção de Cloro, SA was incorporated under Portuguese law, the capital of which is 80% owned by Bondalti Chemicals.
In early 2018, fulfilling the first objective of its incorporation, this company took a 20% stake in the company Bondalti Cantábria, SA.
In 2020, negative net earnings of 624,400 Euros were reported, reflecting its interest in Bondalti Cantábria, SA.

08. PROSPECTS FOR DEVELOPMENT IN 2021

In terms of the economy, a relatively strong recovery in European economies is expected in 2021, although well below the recoveries estimated for the USA and China, with the latest forecasts pointing to GDP growth in the Eurozone of around 4%. Portugal is expected to show GDP growth in line with this figure, while Spain, the most adversely affected economy in the Eurozone in 2020, is expected to show above average growth of close to 6%.

Obviously, the recovery of the economy and the sectors generating demand for Bondalti Chemicals will be dependent on developments in relation to the pandemic and the course of the vaccination plan. Some delay in this plan, or a new, more resistant variant of the virus, could jeopardise these estimated growth figures, shrouding the year 2021 in uncertainty.

In the construction sector, Euroconstruct estimates growth in industry output of around 4% for Europe in 2021, boosted by the infrastructure and residential segment. As for the automotive sector, the ACEA estimates more robust growth in the number of vehicles sold in the European Union of around 10%, also reflecting the harsh conditions that the sector experienced in 2020.

In relation to the MDI market, the consultancy IAL estimates growth of 5% in 2021, driven by the use of rigid polyurethane foams for the construction market. In the chlor-alkali market, in 2021, strong growth, in the order of 4% to 5%, is expected in demand for chlorine and soda in Europe, after a very complicated year in 2020 in these sectors, particularly in terms of consumption of soda for paper pulp and other manufacturing industries.

With industrial operations stabilised in Estarreja and stabilising in Torrelavega, it is expected that in 2021 both facilities will have greater production capacity. However, given the troubles we are experiencing related to the Covid-19 pandemic, there is a high degree of uncertainty with regard to production levels. The general maintenance shutdown, initially scheduled for May 2021, has been rescheduled for January 2022, due to developments in the pandemic.

Context costs continue to represent a major concern in an increasingly competitive market, in particular those related to the energy sector, so all efforts will continue to be made in order not only to raise the alarm, but, above all, to contribute towards possible changes.

Bondalti will keep a close watch, taking into account the technological changes introduced during the global shutdown, in order to optimise the specific consumption of the units.

As for investments, significant investment in the production units in Estarreja is expected to continue, and the current plan should be adjusted to reflect the economic impact of the pandemic. Bondalti's priority will always remain the safety of people and facilities, and ensuring the normal operation of production units, both in Portugal and in Spain.

09. PROPOSAL FOR APPROPRIATION OF PROFIT

The Board of Directors proposes that the net profit generated in the year, in the amount of 14,928,783.45 Euros, should be distributed as follows:

- Dividends .... 8,000,000.00 euros
- Unappropriated Retained Earnings .... 6,928,783.45 euros

10. CLOSING REMARKS

We should like to express our thanks to all our employees, the other stakeholders, the supervisory bodies and the financial institutions for the commitment and collaboration shown in this period, and for their contributions towards achieving the positive results.

Porto Salvo, 12th April 2021

The Board of Directors,

João Maria Guimarães José de Mello – Chair

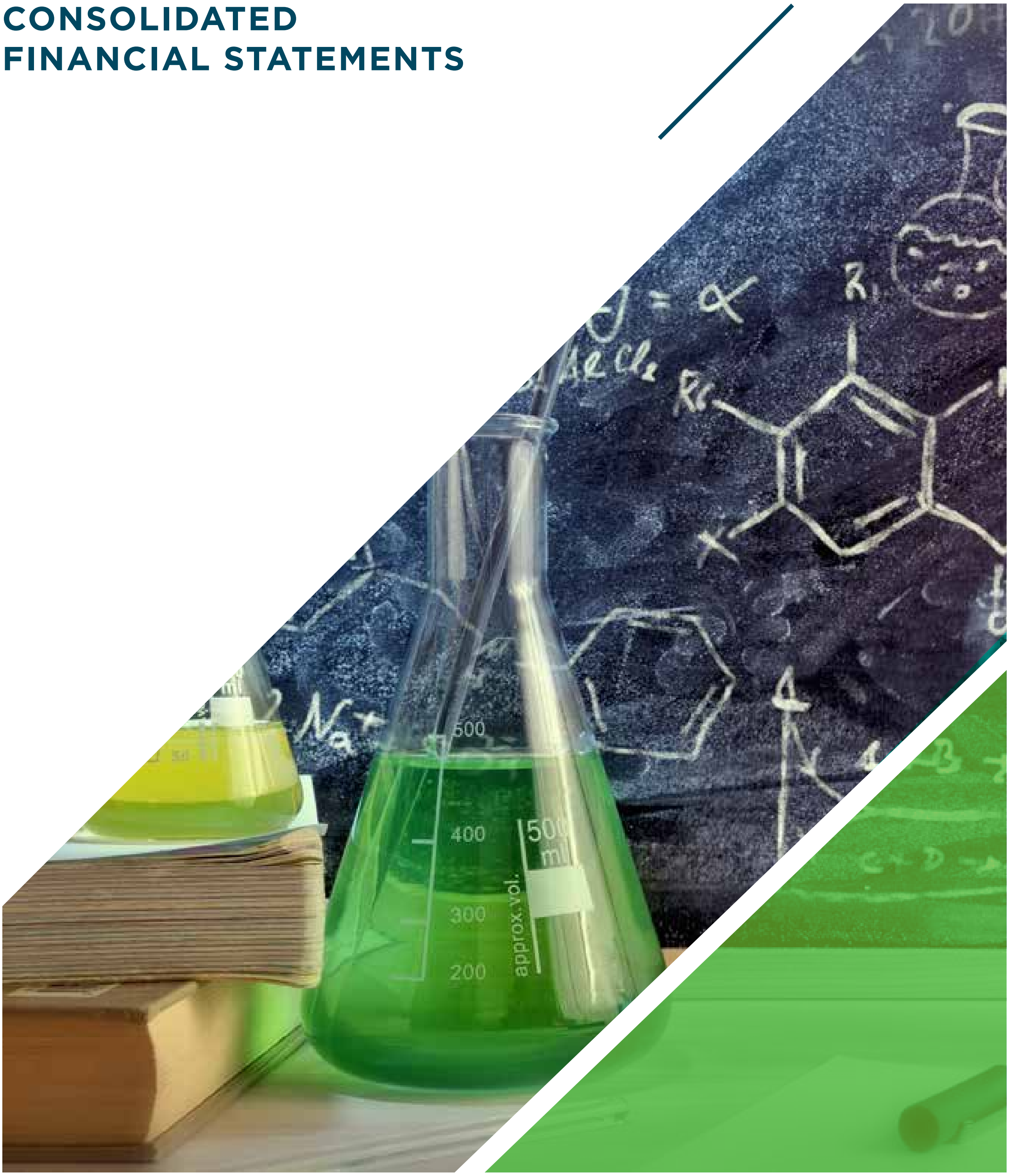
André Cabral Côrte-Real de Albuquerque – Director

João Jorge Gonçalves Fernandes Fugas – Director

Luís Augusto Nesbitt Rebelo da Silva – Director

Luís Henrique Marcelino Alves Delgado – Director

CONSOLIDATED FINANCIAL STATEMENTS



01 BALANCE SHEET

CAPTIONS	NOTES	31/12/2020	31/12/2019
Assets			
Non-Current Assets			
Property, Plant and Equipment	6	129 537 922	138 731 591
Investment Properties	7	18 685 058	18 783 837
Intangible Assets	8	1 120 194	2 295 611
Financial Holdings - Equity Method	9	1 060 034	971 250
Financial Holdings - Other Methods	9	9 533	9 533
Other Financial Assets	13.5	61 200 609	61 192 964
Deferred Tax Assets	28	4 152 728	3 377 958
		215 766 078	**225 362 743**
Current Assets			
Inventories	10.1	18 761 089	19 356 370
Trade Debtors	13.1	27 229 980	38 768 910
State and Other Public Bodies	11	1 764 587	937 138
Other Receivables	13.1	1 990 157	1 872 293
Deferrals	12.1	2 209 871	2 444 332
Cash and Bank Deposits	4	29 088 586	35 400 848
		81 044 270	**98 779 891**
Total Assets		**296 810 349**	**324 142 634**
Equity and Liabilities			
Equity			
Subscribed Capital	16.1	30 550 000	30 550 000
Share Premiums	16.2	661 000	661 000
Legal Reserves	16.2	6 101 994	6 101 994
Other Reserves	16.2	17 347 677	17 528 153
Unappropriated Retained Earnings	16.2	27 953 558	19 453 442
Adjustments and Other Changes in Equity	16.3	(8 587 290)	(6 320 229)
Net Earnings for the Period		14 928 783	16 319 640
Non-controlling interests	16.4	76 480	201 369
Total Equity		**89 032 203**	**84 495 369**
Liabilities			
Non-Current Liabilities			
Accrued Liabilities	14	4 862 334	6 938 863
Borrowings	13.4	115 000 000	140 000 000
Liabilities for Post-Employment Benefits	15.1	3 291 965	2 993 889
Deferred Tax Liabilities	28	3 175 211	3 471 244
Other Payables	13.3	7 337 415	7 485 502
		133 666 926	**160 889 498**
Current Liabilities			
Suppliers	13.2	35 239 349	33 285 216
Advances from Customers	13	592 750	132 888
State and Other Public Bodies	11	489 896	2 328 592
Borrowings	13.4	27 075 796	25 000 000
Other Payables	13.3	10 184 930	17 448 621
Deferrals	12.2	528 500	562 450
		74 111 220	**78 757 767**
Total Liabilities		**207 778 146**	**239 647 265**
Total Equity and Liabilities		**296 810 349**	**324 142 634**

Amounts stated in Euros

02 INCOME BY NATURE OF EXPENSE

INCOME AND EXPENSES	NOTES	31/12/2020	31/12/2019
Sales and Services	18	237 286 247	276 652 924
Revenue Grants	17	1 510	7 334
Gains/Losses of Subsidiaries, Assoc. Enter. and Joint Ventures	19	443 234	354 450
Changes in Production Inventories	10.2	(103 671)	954 651
Own Work Capitalised	20	321 202	1 957 609
Cost of Goods Sold and Materials Consumed	10.3	(126 973 255)	(167 824 442)
External Services and Supplies	21	(60 696 233)	(59 111 441)
Staffing Costs	15.4	(15 846 515)	(13 747 452)
Impairment of Receivables (Losses/Reversals)	13.1	-	6 036
Provisions (Increases/Decreases)	14	443 961	(1 657 180)
Other Income	22	6 870 399	8 883 571
Other Expenses	23	(1 200 580)	(2 577 072)
Earnings Before Interest, Taxes, Depreciation and Amortisation		**40 546 301**	**43 898 988**
Depreciation and Amortisation Expenses/Reversals	25	(18 825 069)	(17 808 170)
Earnings Before Interest and Taxes		**21 721 233**	**26 090 818**
Interest and Similar Income Earned	26	1 028 142	2 435 579
Interest and Similar Expenses Incurred	27	(4 027 241)	(7 388 023)
Earnings Before Tax		**18 722 134**	**21 138 374**
Income Taxes for the Period	28	(3 918 240)	(4 901 354)
Net Earnings for the Period		**14 803 895**	**16 237 021**
Net Earnings for the Period attributable to:			
Parent Company Shareholders		14 928 783	16 319 640
Non-controlling interests	16.4	(124 889)	(82 619)
		14 803 895	**16 237 021**

Amounts stated in Euros

03. CHANGES IN EQUITY

Description		Subscribed Capital (Note 16.1)	Share Premiums	Legal Reserves (Note 16.2)	Other Reserves (Note 16.2)	Adjustments / Other changes in Equity (Note 16.3)	Unappro-priated Retained Earnings	Net Earnings for the Period (Note 16.2)	Total	Non-controlling interests (Note 17.5)	Total Equity
Position at the beginning of the period 2019	**1**	**30 500 000**	**-**	**6 100 000**	**18 047 597**	**7 294 590**	**13 770 893**	**22 632 409**	**98 345 489**	**288 037**	**98 633 526**
Changes in the period											
Revaluation surpluses of property, plant and equipment and intangible fixed assets and respective variations		-	-	-	(1 049 805)	-	1 049 805	-	-	-	-
Deferred Tax Adjustments		-	-	-	236 206	78 429	(236 206)	-	78 429	-	78 429
Hedge derivatives		-	-	-	-	2 869 263	-	-	2 869 263	-	2 869 263
Grants		-	-	-	-	(3 217 837)	-	-	(3 217 837)	-	(3 217 837)
Minority Interest Adjustments		-	-	-	-	-	-	-	-	(4 049)	(4 049)
Other changes recognised in Equity		50 000	661 000	1 994	294 155	(13 344 674)	1 536 541	-	(10 800 984)	-	(10 800 984)
	2	**50 000**	**661 000**	**1 994**	**(519 444)**	**(13 614 819)**	**2 350 140**	-	**(11 071 129)**	**(4 049)**	**(11 075 177)**
Net earnings for the period	**3**							**16 319 640**	**16 319 640**	**(82 619)**	**16 237 021**
Comprehensive income	**4=2+3**							**16 319 640**	**5 248 511**	**(86 668)**	**5 161 843**
Transactions with shareholders in the period											
Distributions		-	-	-	-	-	(19 300 000)	-	(19 300 000)	-	(19 300 000)
	5	**-**	**-**	**-**	**-**	**-**	**(19 300 000)**	**-**	**(19 300 000)**	**-**	**(19 300 000)**
Appropriation of earnings											
Transfer of Earnings for the year to Unappropriated Retained Earnings		-		-	-	-	22 632 409	(22 632 409)	-		-
	6		**-**	**-**	**-**		**22 632 409**	**(22 632 409)**	**-**		**-**
Position at the end of the period 2019	**7=1+2+3+5+6**	**30 550 000**	**661 000**	**6 101 994**	**17 528 153**	**(6 320 229)**	**19 453 442**	**16 319 640**	**84 294 000**	**201 369**	**84 495 369**
Position at the beginning of the period 2020	**7**	**30 550 000**	**661 000**	**6 101 994**	**17 528 153**	**(6 320 229)**	**19 453 442**	**16 319 639,64**	**84 294 000**	**201 369**	**84 495 369**
Changes in the period											
Revaluation surpluses of property, plant and equipment and intangible fixed assets and respective variations		-	-	-	(232 872)	-	232 872	-	-	-	-
Deferred Tax Adjustments		-	-	-	52 396	667 160	(52 396)	-	667 160	-	667 160
Grants		-	-	-	-	(2 934 221)	-	-	(2 934 221)	-	(2 934 221)
	8	**-**	**-**	-	**(180 476)**	**(2 267 061)**	**180 476**	**-**	**(2 267 061)**	-	**(2 267 061)**
Net earnings for the period	**9**							**14 928 783**	**14 928 783**	**(124 889)**	**14 803 895**
Comprehensive income	**10=8+9**							**14 928 783**	**12 661 722**	**(124 889)**	**12 536 834**
Transactions with shareholders in the period											
Distributions		-	-	-	-	-	(8 000 000)	-	(8 000 000)	-	(8 000 000)
	11	**-**	**-**	-	**-**	**-**	**(8 000 000)**	**-**	**(8 000 000)**	-	**(8 000 000)**
Appropriation of earnings											
Transfer of Earnings for the year to Unappropriated Retained Earnings		-		-	-	-	16 319 640	(16 319 640)	-	-	-
	12	**-**	**-**	-	**-**	**-**	**16 319 640**	**(16 319 640)**	**-**	-	**-**
Position at the end of the 2020 period	**13=8+9+11+12**	**30 550 000**	**661 000**	**6 101 994**	**17 347 677**	**(8 587 290)**	**27 953 558**	**14 928 784**	**88 955 723**	**76 480**	**89 032 203**

Amounts stated in Euros

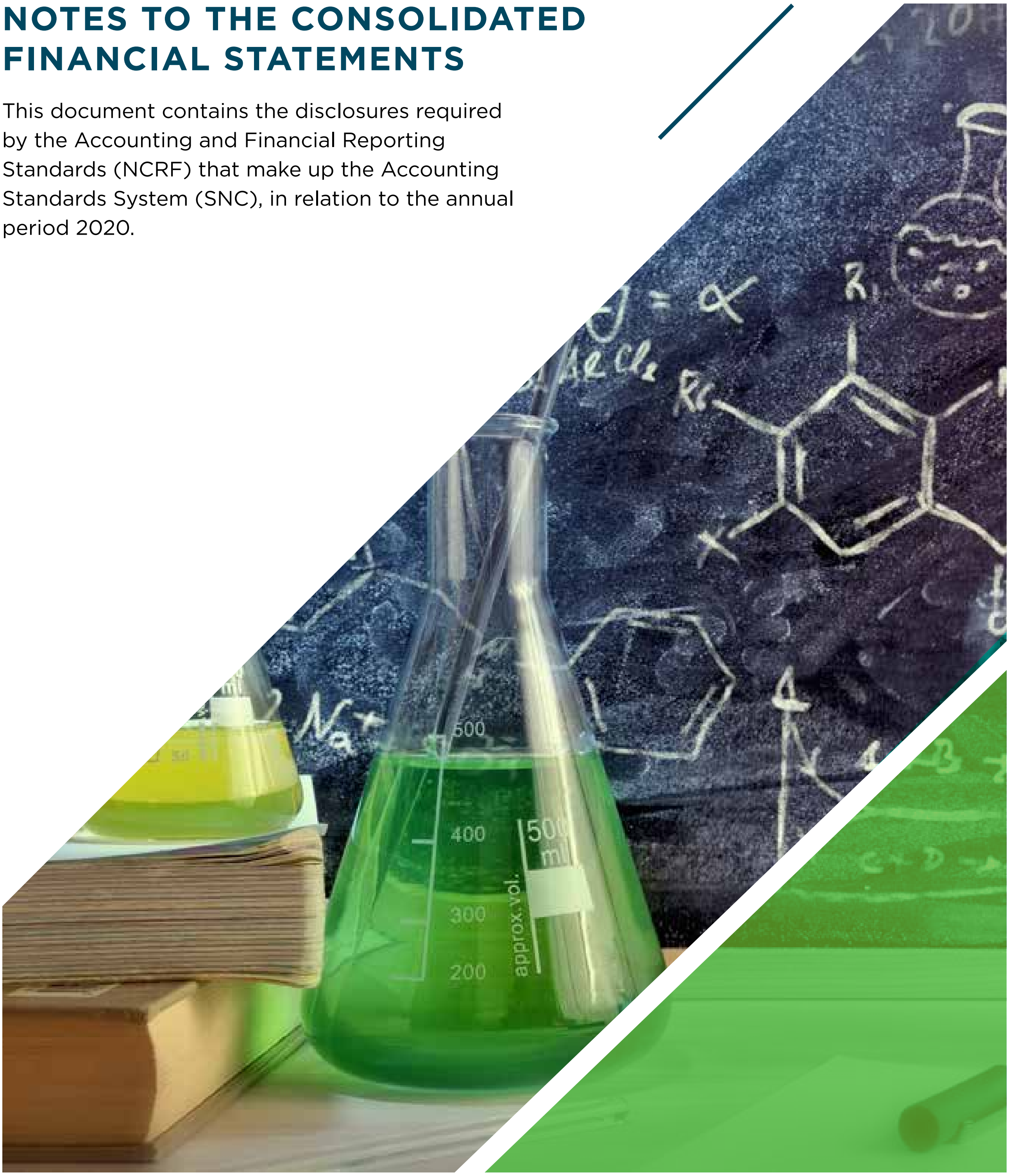
04. CASH FLOWS

CAPTIONS	NOTES	31/12/2020	31/12/2019
CASH FLOW FROM OPERATING ACTIVITIES - DIRECT METHOD			
Receipts from Customers		289 095 648	330 003 396
Payments to Suppliers		(213 527 652)	(260 779 091)
Payments to Staff		(16 509 292)	(14 118 740)
Cash generated by operations		**59 058 703**	**55 105 565**
Income tax payments/receipts		(4 936 933)	(1 253 814)
Other receipts/payments		(19 040 820)	(20 155 413)
Cash flow from operating activities (1)		**35 080 950**	**33 696 337**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments with respect to:			
Property, Plant and Equipment		(10 865 378)	(41 398 868)
Investment Properties		-	(22 849)
Intangible Assets		-	(8 178)
Financial Investments		-	(78 189 840)
Other Assets		-	(10 538 250)
		(10 865 378)	**(130 157 985)**
Receipts from:			
Property, plant and equipment		1 223 412	496 014
Investment Properties		316 624	3 067 933
Intangible assets		914 880	1 025 310
Other assets		46 200	-
Investment grants		32 290	4 874
Interest and similar income		1 002 661	2 433 549
Dividends		354 500	520 189
		3 890 566	**7 547 870**
Cash flow from investing activities (2)		**(6 974 811)**	**(122 610 115)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from:			
Borrowings		2 075 796	190 468 104
		2 075 796	**190 468 104**
Payments with respect to:			
Borrowings		(25 000 000)	(77 799 969)
Interest and similar expenses		(3 494 196)	(5 174 341)
Dividends		(8 000 000)	(19 300 000)
		(36 494 196)	**(102 274 310)**
Cash flow from financing activities (3)		**(34 418 401)**	**88 193 793**
Changes in cash and cash equivalents (1+2+3)		**(6 312 262)**	**(719 985)**
Effect of exchange differences			
Cash and its equivalents at the start of the period	4	35 400 848	36 120 833
Cash and cash equivalents at the end of the period	4	29 088 586	35 400 848

Amounts stated in Euros

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This document contains the disclosures required by the Accounting and Financial Reporting Standards (NCRF) that make up the Accounting Standards System (SNC), in relation to the annual period 2020.



01. IDENTIFICATION OF THE ENTITY

The Bondalti Chemicals Group, (the "Group") is designated by Bondalti Chemicals, SA, having registered office and factory in Estarreja, established on 30 December 1977, the corporate purpose of which is industrial and commercial activity involving organic and inorganic chemicals.

The parent company, Bondalti SGPS, SA, has its registered office in Lisbon.

02. ACCOUNTING FRAMEWORK FOR PREPARING THE FINANCIAL STATEMENTS

The Group reports its accounts in accordance with the Accounting and Financial Reporting Standards (NCRF), which form an integral part of the SNC.

There were no derogations with a view to producing a true and appropriate picture.

The financial statements were prepared using principles consistent with the previous year, as a result of which the contents of all accounts, whether on the balance sheet or in the income statement, are comparable with those of the previous year.

03. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF MEASUREMENT USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared taking into account the going concern principle, the accruals basis, consistency of presentation, materiality and aggregation, the method of gross presentation and comparative information.

Based on the provisions of the NCRF, the accounting policies adopted by the company were as follows:

(a) Property, plant and equipment

Property, plant and equipment refers to goods used in production, services provided or for administrative use.

The Group adopted the cost considered in the measurement of the property, plant and equipment with reference to 1 January 2009 (date of transition to the NCRF), under the exemption allowed under NCRF 3 - First-time Adoption of the NCRF. The Group adopted as the deemed cost, the value contained in the previous financial statements prepared in accordance with the previous accounting framework (POC), which included revaluation reserves made under various legal instruments that took into account currency devaluation coefficients.

With the exception of land that is not depreciable, property, plant and equipment is depreciated over the expected economic life and assessed for impairment whenever there is an indication that the asset may be impaired. Depreciation is calculated proportionally with effect from the time at which the assets are available for use for their intended purpose, using the straight line method. The depreciation rates used are as follows:

	2020	2019
Buildings and Other Structures	2.00 - 33.33	2.00 - 33.33
Basic Equipment	5.00 - 50.00	5.00 - 50.00
Transport Equipment	6.25 - 25.00	6.25 - 25.00
Office Furniture	5.88 - 50.00	5.88 - 50.00
Other Property, Plant and Equipment	12.50 - 20.00	12.50 - 20.00

The depreciation expense is recognised in the income statement under “Depreciation and amortisation expenses/reversals”.

The costs of dismantling and removing assets from property, plant and equipment and the costs of restoring the site where they are located, the obligation for which is incurred when the assets are acquired or as a consequence of having been used during a certain period for purposes other than production, form part of the cost of the corresponding item of property, plant and equipment, and are depreciated over the useful life of the assets to which they relate.

Current maintenance and repair costs are recognised as expenses in the period in which they occur.

The costs of replacements and major repairs are capitalised whenever they increase the useful life of the asset to which they relate and are depreciated over the remaining period of the useful life of that asset, or their own useful life period, if lower.

Any gain or loss resulting from the derecognition of an item of property, plant and equipment (calculated as the difference between the sale value less selling costs and the book value) is included in profit or loss for the year in which the asset is derecognised.

Property, plant and equipment in progress refers to assets that are still under construction or development, and is measured at acquisition cost, only being depreciated when available for use.

At the end of each year, assets are assessed for any indication of impairment, which, if any, is recognised in profit or loss for the year.

(b) Investment Properties

The Group adopted the deemed cost in the measurement of Investment Properties as of 1 January 2009 (date of transition to the SNC), under the terms of the exemption allowed under NCRF 3 - First-time Adoption of the NCRF.

The deemed cost resulted from an evaluation carried out, in reference to that date, by qualified and independent professional evaluators. Subsequently, the Group adopted the cost model when measuring Investment Properties.

Depreciation is calculated proportionally with effect from the time at which the assets are available for use for their intended purpose, using the straight line method. The depreciation rates used are as follows:

	2020	2019
Buildings and Other Structures	5.00 - 10.00	5.00 - 10.00

(c) Intangible assets

Intangible assets acquired separately are measured, on the date of initial recognition, at cost.

The cost of internally generated intangible assets, excluding development costs in certain circumstances, is considered an expense and is reflected in the income statement in the year in which the expense is incurred.

After initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite or indefinite. Intangible assets with indefinite useful lives are not amortised, but are tested annually for impairment regardless of whether or not there are indicators that they may be impaired. Intangible assets with finite useful lives are amortised over the expected economic life and assessed for impairment whenever there is an indication that the asset may be impaired. Amortisation of intangible assets is reflected in the Income Statement by Nature of Expense in the line called “Depreciation and Amortisation Expenses/ Reversals”.

Amortisation is calculated proportionally with effect from the date of acquisition using the straight line method. The amortisation rates used are as follows:

	2020	2019
Development Projects	20.00 - 33.33	20.00 - 33.33
Industrial Property	20.00 - 33.33	20.00 - 33.33
Other Intangible Assets	20.00 - 33.33	20.00 - 33.33

Any gain or loss resulting from the derecognition of an intangible asset (calculated as the difference between the sale value less selling costs and the book value) is included in the profit or loss for the year in which the asset is derecognised.

Below are some specifics regarding each type of intangible asset.

(c.1) Development projects

Research costs are considered to be expenses in the period in which they occur.

The costs of developing an individual project are recognised as intangible assets when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the intangible asset and where the conditions are met to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to reliably measure expenditure during development.

(c.2) Industrial Property

This item reflects the patents registered in the name of the companies included in the consolidation, for which there is an exclusive right of use.

Amortisation is carried out in the period of exclusive use of each patent.

(c.3) Emission Rights

CO_2 emission permits allocated to the Group under the National Allocation Plan for CO_2 Emission Permits are recognised in accordance with NCRF 26, i.e. under the item Intangible Assets as a contra entry to Other Changes in Equity - Grants and Donations, at the market value on the date of allocation.

The acquired permits are recognised under Intangible Assets as a contra entry to the corresponding account payable or cash and cash equivalents.

For the CO_2 emissions made by the Group, and based on the FIFO criterion, a Depreciation and Amortisation expense is recognised as a contra entry to Accumulated Amortisation of Intangible Assets and, simultaneously, an amount equivalent to the reduction of the corresponding share of the subsidy is transferred to Other Income, as a contra entry to Grants and Donations.

Whenever the Group makes CO_2 emissions without being the holder of the respective permits, a provision is recognised under the terms of NCRF 21 - Provisions, Contingent Liabilities and Contingent Assets for the amount corresponding to the best price estimate for their obtainment, plus an estimate of the amount of the penalties incurred for the emission of CO_2 without a permit.

Sales of emission rights give rise to a gain or loss calculated by the difference between the realisation value and the respective acquisition cost, which is recorded in Other Income - Income and Gains on Non-Financial Investments or Other Expenses - Expenses and Losses on Non-Financial Investments, respectively.

Since there is an active market for emission rights, these are revalued at the end of each period to their market value, while the account Equity - Grants and Donations or Profit or Loss is adjusted according to whether they are allocated permits or acquired permits, respectively.

(d) Financial investments - equity method

Investments in Associated Enterprises are valued in accordance with the equity method.

At the date of acquisition of the investment, the difference between the cost of the investment and the Group's share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities was accounted for in accordance with NCRF 14 - Business Combinations. Thus:

- The related Goodwill was included in the carrying amount of the investment.
- The excess of the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the investees over the investment cost was excluded from the carrying amount of the investment and was included as income in profit or loss for the period in which the investment was acquired.

Subsequent to the acquisition date, the carrying amount of the investments:

- Was increased or decreased to recognise the share in the profit or loss of the investees after the acquisition date;
- Was reduced by the appropriations of profits received;
- Was increased or decreased to reflect, as a contra entry to Equity, changes in the Group's proportional interest in the investees resulting from changes in their equity that have not been recognised in the respective profit or loss. Among other situations, such changes include those resulting from the Revaluation of Property, Plant and Equipment and from differences in foreign currency translation.

In measuring these investments, the following provisions regarding the application of this method were also respected:

- The financial statements of the investees had already been prepared, or were adjusted off the books, in order to reflect the Group's accounting policies before they could be used in determining the effects of the equity method;
- The financial statements of the investees used in determining the effects of the equity method refer to the same date as those of the Group or, if different, do not differ by more than three months from those of the Group;
- The profit or loss from "ascending" and "descending" transactions are recognised only to the extent that they correspond to the interests of other investors in the associated enterprise, unrelated to the investor.
- When the investment value is reduced to zero, the additional losses are taken into account through the recognition of a liability whenever the company incurs legal or constructive obligations. When the investees subsequently report profits, the Group resumes its recognition only after its share of the profits equals the share of the unrecognised losses.

(e) Financial investments - other methods

The Group uses the cost model for financial investments in unlisted entities in which the equity method is not applicable.

According to the cost model, financial investments are initially recognised at acquisition cost, which includes transaction costs, and subsequently their value is reduced by impairment losses, whenever they occur.

(f) Income tax

(f.1) Deferred tax assets and liabilities

Deferred tax assets and liabilities result from the determination of temporary differences between the accounting base and the tax base of the Group's assets and liabilities.

Deferred tax assets reflect:

- Deductible temporary differences, to the extent that it is probable that there will be future taxable profits in relation to which the deductible difference can be used;

- Unused tax losses and unused tax credits, to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities reflect temporary taxable differences.

Deferred taxes related to temporary differences associated with investments in associated enterprises and interests in joint ventures are not recognised, since the following conditions are considered to have been satisfied, simultaneously:

- The Group is able to control the timing of the reversal of the temporary difference; and
- It is likely that the temporary difference will not be reversed in the foreseeable future.

The measurement of deferred tax assets and liabilities:

- Is carried out in accordance with the rates that are expected to be applied in the period in which the asset is realised or the liability is settled, based on the tax rates approved at the balance sheet date; and
- Reflects the tax consequences arising from the way the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

(f.2) Income Tax for the period

Income tax for the period includes current and deferred taxes for the year.

Current tax is determined based on the accounting result adjusted in accordance with the tax legislation in force, to which each of the companies included in the consolidation is subject.

The parent company and the subsidiaries in which at least 90% of the respective capital is held, directly or indirectly, and which, simultaneously, are resident in Portugal and are subject to Income Tax, are taxed under the Special Taxation of Corporate Groups Scheme at the rate of 21%, plus the Surcharge up to a maximum rate of 6.5% on Taxable Income, resulting in a maximum aggregate rate of 27.5%.

Income tax on the other companies included in the consolidation is calculated at the rates in force in the countries of the respective headquarters:

	Country	2020 Tax	2019 Tax
Income Tax (ID)	Portugal	21.0%	21.0%
Surcharge	Portugal	1.5%	1.5%
State Surcharge	Portugal	3% - 5%	3% - 5%
Income Tax (ID)	Espanha	25.0%	25.0%

Under the terms of prevailing law, in the various jurisdictions in which the companies included in the consolidation carry out their activity, the corresponding tax returns are subject to review by the tax authorities for a period ranging between four and five years, which can be extended in certain circumstances, namely when there are tax losses, or inspections, complaints or claims are in progress.

The Board of Directors, supported by the positions of its tax consultants and taking into account the liabilities recognised, believes that any revisions of these tax returns will not result in material corrections to the consolidated financial statements.

(g) Inventories

The valuation of inventories and the respective costing methods are as follows:

	Valuation	Valuation method
Goods	Acquisition cost (*)	Average cost
Raw material, subsidiary material and consumables	Acquisition cost (*)	Average cost
Intermediate and finished products	Acquisition cost (*)	Average cost
Products and work in progress	Acquisition cost (*)	Average cost

(*) Or Net Realisable Value, whichever is the lower.

The cost of inventories includes:

- Average cost of acquisition of the raw materials incorporated;
- Purchase costs (purchase price and shipping costs);

Whenever the net realisable value is lower than the purchase or conversion cost, the inventories are reduced by recognising an impairment loss, which is reversed when the circumstances that gave rise to it cease to exist.

For this purpose, the net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of finishing and the costs necessary to make the sale. The estimates take into account changes related to events that occurred after the end of the period.

(h) Other financial assets

Financial assets are recognised when the companies included in the consolidation are parties to the respective contractual relationship.

Financial assets not included in the preceding subdivisions and which are not measured at fair value are stated at cost or at amortised cost, net of impairment losses, where applicable.

At the end of the year, the Group assesses the impairment of these assets. Whenever there is objective evidence of impairment, the Group recognises an impairment loss in the income statement.

The objective evidence that a financial asset or group of assets could be impaired takes into account observable data that called attention to the following loss events:

- Significant financial distress affecting the debtor;
- Breach of contract, such as non-payment or default of payment of interest or debt amortisation;
- For economic or legal reasons related to the debtor's financial distress, the companies included in the consolidation offered the debtor concessions that they would not otherwise have been considered;
- It becomes probable that the debtor will enter bankruptcy or any other financial reorganisation;
- Observable information indicating that there has been a decrease in the measurement of the estimated future cash flows of a group of financial assets since its initial recognition.

Individually significant financial assets were assessed individually for impairment purposes. The remainder were assessed based on similar credit risk characteristics.

Here are some specifics regarding each type of financial asset:

(h.1) Trade debtors

Trade receivables are measured, upon initial recognition, in accordance with the measurement criteria for Sales and Services, as described in subdivision q) and subsequently measured at amortised cost less impairment.

Impairment is determined based on the criteria defined in paragraph h).

(h.2) Other receivables

Other receivables are valued as follows:

- Personnel - at cost less impairment;
- Accrued receivables - at cost;
- Other debtors - at cost less impairment;
- Loans to shareholders do not bear interest or carry any type of interest, as a result of which they are presented at their nominal value, less impairment losses, whenever applicable.

Impairment, in both cases, is determined based on the criteria defined in subdivision h).

(h.3) Cash and bank deposits

The amounts included under this caption correspond to cash and other deposits, maturing in less than three months, and which are immediately drawable with an insignificant risk of change in value.

These balances are measured as follows:

- Cash - at cost;
- Deposits without defined maturity - at cost;
- Other deposits with defined maturity - at amortised cost, determined based on the effective interest rate method.

For the purposes of the statement of cash flows, in addition to cash and bank deposits, the caption "Cash and cash equivalents" comprises the bank overdrafts included under the caption "Borrowings".

(i) State and other Public Bodies

The asset and liability balances of this caption are calculated based on prevailing law.

With regard to assets, no impairment was recognised as it is considered that this is not applicable, given the specific nature of the relationship.

(j) Deferred assets and liabilities

This caption reflects transactions and other events in relation to which full recognition in profit or loss for the period in which they occur is not appropriate, but which should be recognised in profit or loss for future periods.

(l) Equity captions

(l.1) Legal reserves

According to Article 295 of the Companies Code (CSC), at least 5% of profits must be allocated for the constitution or topping up of the legal reserve, until it represents at least 20% of the share capital.

The legal reserve is not distributable, except in the case of liquidation, and may only be used to absorb losses, after all other reserves have been exhausted, or for incorporation into the share capital (Article 296 of the CSC).

(l.2) Other reserves

This caption includes revaluation reserves established under the terms of the previous GAAP - Generally Accepted Accounting Principles, and those established on the transition date, net of the corresponding deferred taxes, and which are not presented under the caption Revaluation Surpluses due to the fact that the entity had adopted the deemed cost method at the date of conversion to the SNC.

The revaluation reserves set up under legislation, in accordance with that legislation, are only available to increase capital or cover losses incurred up to the date to which the revaluation refers, and only after they have been realised (by use or by sale).

The caption also includes the reserves that result from the revaluation carried out at the transition date, which are only available for distribution after they have been realised (by use or by sale).

(I.3) Unappropriated retained earnings

This caption includes realised profits available for distribution to shareholders and gains from increases in fair value of derivative financial instruments, financial investments and investment properties which, according to Article 32(2) of the CSC, will only be available for distribution when the elements or rights that gave rise to them are sold, exercised, cancelled or liquidated.

(I.4) Adjustments/Other changes in equity

This account includes adjustments to the fair value of financial assets such as changes in the fair value of derivatives to hedge the risk of interest rate variability, exchange risk, commodity price risk under a commitment or a high probability of a future transaction, which, according to Article 32(2) of the CSC, will only be available for distribution when the elements or rights that gave rise to them are sold, exercised, cancelled or liquidated.

This caption also includes adjustments related to the application of the equity method, namely the appropriation of changes in equity of investees and unallocated profits.

Regarding Other changes in equity, these include:

(I.4.1) Investment grants

Non-repayable grants, net of deferred taxes, related to tangible and intangible assets are recognised under this caption.

Grants are only recognised where there is reasonable assurance that the Group has complied/will comply with the conditions attached to them and that the grants will be received.

Subsequent to initial recognition, this account is reduced:

- With regard to grants related to depreciable property, plant and equipment and intangible assets with a defined useful life, through the charging, on a systematic basis, to income during the periods necessary to balance the grants with the related expenses that they are intended to offset;
- With respect to non-depreciable property, plant and equipment and intangible assets with an indefinite useful life, through the charging to income in the years in which it is necessary to offset any impairment loss that is recognised in relation to those assets.

These grants are not available for distribution until they are charged to income during the periods necessary to: (i) balance the grants with the related expenses that they are intended to offset i.e. amortisation and depreciation and/or (ii) offset any impairment loss that is recognised in relation to those assets.

(I.4.2) Emission rights

These reserves, corresponding to the Emission rights allocated and recognised under the terms referred to in subdivision c.2) of this paragraph, are transferred to Other Income and Gains as the corresponding CO_2 emissions are made by the companies of the Group.

According to Article 32(2) of the CSC, these reserves will only be available for distribution when the rights that gave rise to them are sold, exercised, cancelled or liquidated.

(m) Provisions

This account reflects the present obligations (both legal and constructive) of the Group arising from past events, the settlement of which is expected to result in an outflow of resources from the entity that incorporate economic benefits and the timing and amount of which are uncertain, but the value of which can be reliably estimated.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Whenever the effect of the time value of money is material, the amount of a provision is the present value of the expenditures that are expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the value of the money and the specific risks of the liability, and that does not reflect risks for which the estimates of future cash flows have been adjusted.

(n) Liabilities for post-employment benefits and staffing costs

Staff costs are recognised when the service is provided by employees, regardless of the date of payment.

Some specifics regarding each of the benefits are described below.

(n.1) Post-employment benefits

The Group has the post-employment benefit plans as indicated in the following table:

Company	Plan Name	Type	Addresses	Location
Bondalti CHEMICALS	Retirement Pension Plan	Defined Benefit - Old age disability or survivor's pension supplement	Of some of the former and present employees	Portugal
Bondalti CHEMICALS	Medical Procedures Plan	Defined Benefit - Medical Procedures without constituted fund	Of some of the former and present employees	Portugal

Under the terms of the Social Benefits Regulation in force in the Group, certain employees on its permanent staff are entitled, after moving to retirement, to a share in health care expenses and to a supplement to their old age, invalidity or survivor's pension. In the calculation of these supplements and contributions, years of service and the perks prevailing within the company that originally employed them are taken into account.

In Defined Benefit Plans, the liabilities are recognised and measured in accordance with NCRF 28 - Employee Benefits.

Accordingly, the cost of providing the benefits is determined:

- Separately for each plan;
- Using the projected unit credit method;
- Based on the actuarial assumptions of Portugal.

The past Service Cost of employees in active service is recognised: (i) immediately, in the part already past due and (ii) on a linear basis during the remaining period of years of service, with respect to the component not yet past due.

(n.2) Holiday and holiday allowance

In accordance with the labour legislation in force, employees are entitled to holidays and holiday allowances in the year following the year in which the service is provided. Thus, an increase in the amount payable in the following year was recognised in the results for the year, which is reflected in the item "Other Payables".

(o) Financial liabilities

Financial liabilities are recognised when the companies included in the consolidation are parties to the respective contractual relationship.

(o.1) Borrowings

Borrowings for which a variable interest rate hedge is available are valued at amortised cost determined based on the effective interest rate. According to this method, on the date of initial recognition, borrowings are recognised under liabilities at the nominal value received, net of expenses with the issuance, which corresponds to the respective fair value at that date. Subsequently, borrowings are measured at amortised cost, which includes all financial charges calculated in accordance with the effective interest rate method.

Other borrowings are valued at cost, recognised under liabilities at their nominal value.

(o.2) Suppliers, Advances from Customers and Other Debts Payable

Trade accounts payable are measured at cost.

(o.3) Shareholders

Shareholder loans do not bear interest and do not include any type of interest, as a result of which they are presented at their nominal value, under the heading of other payables, less impairment losses, whenever applicable, as determined based on the criteria defined under subdivision p).

(p) Effect of changes in exchange rates

Foreign currency transactions are translated to Euro at the rates prevailing at the transaction dates.

Balances that remain outstanding at the end of the year are converted at the closing rate and the difference is recognised in profit or loss.

(q) Sales and services

Sales and services are measured at the fair value of the consideration received or receivable less the amounts relating to trade or volume discounts granted.

When the sale price of the products/services includes an identifiable amount of subsequent services, that amount is deferred and recognised as revenue during the period in which the service is performed.

Although revenue is only recognised when it is probable that the economic benefits associated with the transaction will flow to the company, where uncertainty arises regarding the collectability of an amount already included in revenue, the uncollectible amount, or the amount with respect to which recovery has ceased to be probable, is recognised as an impairment, and not as an adjustment to the amount of revenue originally recognised.

Some specifics regarding the recognition of sales and services are described below.

(q.1) Sales

Revenue from the sale of goods is recognised when all of the following conditions are met:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- There is no continued management involvement to a degree usually associated with possession, nor effective control, of the goods sold;

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred related to the transaction can be reliably measured.

(q.2) Services provided

Revenue from services provided is recognised when the outcome of the transaction can be reliably estimated, which occurs when all of the following conditions are met:

- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction are likely to flow to the Group;
- The costs incurred with the transaction and the costs to complete the transaction can be measured reliably.

The percentage of completion is determined based on the proportion that the costs incurred to date represent in the estimated total costs of the services provided (in relation to the services performed or to be performed).

Where the outcome of a contract is not reliably estimated, the Group recognises it using the zero profit method. Through this, all costs incurred are recognised as expenses for the period and revenues are recognised as expenses, with no profit being recognised.

Progressive payments and customer advances are not taken into account for the determination of the percentage of completion, nor is the zero profit method used.

(r) Revenue grants

Non-refundable grants, which are not related to assets, are recognised under this caption, and only where there is reasonable assurance that the Group has complied/will comply with the conditions attached to them and that the grants will be received.

(s) Interest and similar expenses incurred

Borrowing expenses are recognised in the income statement for the period to which they relate and include:

- Interest incurred determined based on the effective interest rate method;
- Interest on financial instruments hedging interest rate risk and raw materials (SWAP).

The financial costs of borrowings related to the acquisition, construction or production of property, plant and equipment are capitalised, forming part of the cost of the asset. The capitalisation of these costs starts after the start of preparation of the activities to construct or develop the asset and is interrupted with the end of the production or construction of the asset, or when the project concerned is suspended.

(t) Hedging financial instruments

Hedging instruments are deemed to be only the effective part of derivatives that are designated as such and where the entity expects that changes in fair value or cash flows in the hedged item attributable to the risk being hedged will practically offset the changes in fair value or cash flows of the hedging instrument.

In the absence of detailed guidance under NCRF 27 - Financial instruments concerning how to test and document the effectiveness of the hedge, the entities included in the consolidation follow the applicable provisions of IAS 39 - Financial instruments.

Changes in the fair value of derivatives for hedging fixed interest rate risk or the price risk of commodities held, as well as changes in the fair value of the asset or liability subject to that risk, are recognised in profit or loss under “Increases/reductions in fair value”.

Changes in the fair value of derivative instruments to hedge against interest rate variability, exchange risk and commodity price risk under a commitment or a high probability of a future transaction are recognised in equity under the caption “Adjustments to financial assets” in its effective component, and in profit or loss, under the item “Increases/decreases by fair value”, in its non-effective component.

Hedge accounting is discontinued when the hedging instrument reaches maturity, it is sold or exercised or when the hedge relationship fails to meet the requirements laid down under NCRF 27- Financial instruments, as detailed in IAS 39 - Financial instruments.

The effective part of the hedging derivative instruments is presented in the balance sheet under “Other financial assets” or under “Borrowings” depending on whether they are, respectively, debtor or creditor balances, and as non-current or as current depending on the caption under which the respective instruments hedged are shown in the balance sheet.

(u) Contingent assets and liabilities

A contingent asset is a potential asset arising from past events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the control of the entity. Therefore, they are not recognised. However, they are disclosed when there is likely to be a future inflow.

A contingent liability is:

- A potential obligation that arises from past events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the control of the entity,

  or

- A present obligation that arises from past events but that is not recognised because:
  - → An outflow of resources is not likely to be required to settle the obligation, or
  - → The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised. However, they are disclosed, unless the likelihood of future outflows is remote.

(v) Subsequent events

Events after the balance sheet date that provide additional information regarding the conditions that existed at the balance sheet date are reflected in the consolidated financial statements. Events after the balance sheet date that provide information regarding conditions that occur after the balance sheet date are disclosed in the notes to the financial statements, if material.

3.2 BASIS FOR CONSOLIDATION

The Group’s business environment consists of the subsidiaries described in Note 5.

Joint ventures are included in the financial statements using the proportional consolidation method, combining the share in each of the assets, liabilities, income and gains and expenses and losses of jointly controlled ventures with similar items, line by line, of the Group’s financial statements.

In compliance with the provisions of Article 6 of Decree-Law 158/2009, of 15 July, as amended by Decree-Law 98/2015, of 2 June, which approved the SNC, the entity presents consolidated accounts of the Group formed by itself and by all subsidiaries in which:

- Regardless of ownership of the capital, it is found that, alternatively:
  - → It may exercise, or does exercise, dominant influence or control;
  - → It exercises management as if the two constituted a single entity;
- As a shareholder:
  - → It has the majority of voting rights, unless it is shown that those rights do not confer control;
  - → It is entitled to appoint or dismiss the majority of the members of the management body of an entity that is empowered to manage the financial and operating policies of that entity;
  - → It exerts a dominant influence over an entity, by virtue of a contract entered into with that entity or another clause of the entity's articles of association;
  - → It holds at least 20% of the voting rights and the majority of the members of the management body of an entity with powers to manage the financial and operating policies of that entity, who have been in office during the year to which the consolidated financial statements refer, and, in the preceding financial year and until such time as those consolidated financial statements are drawn up, have been exclusively designated as a consequence of the exercise of its voting rights;
  - → It has, on its own initiative or by virtue of an agreement with other equity holders of that entity, a majority of the voting rights of its equity holders.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not there is control.

The subsidiaries are consolidated using the full consolidation method from the date of acquisition, this being the date on which the Group gains control, and continue to be consolidated until the date when that control ceases.

The accounting policies used by the investees and joint ventures in the preparation of their individual financial statements have been changed, whenever necessary, in order to ensure consistency with the policies adopted by the Group.

The purchase method is used to account for business combinations. The cost of an acquisition is measured at the fair value of the assets delivered, the equity instruments issued and the liabilities incurred, or assumed on the acquisition date, plus costs directly attributable to the acquisition.

The excess of the acquisition cost over the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as Goodwill.

If the acquisition cost is lower than the fair value, the difference is recognised directly in the income statement in the year in which it is determined, after reassessing the process of identifying and measuring the fair value of liabilities and contingent liabilities.

In the consolidation process, transactions, balances and unrealised gains on intra-group transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction shows evidence of impairment in the assets transferred and not yet disposed of.

The provisions of NCRF 25 - Income Taxes were applied to the temporary differences that arose from the elimination of profit or loss from intra-group transactions.

Equity and net earnings of the subsidiaries that are held by third parties outside the Group are presented under the captions Non-Controlling Interests items in the consolidated Balance Sheet (independently within equity) and in the Consolidated income statement, respectively. On the date of each business combination, the amounts attributable to non-controlling interests are determined by applying the percentage of interest held by them to the fair value of the identifiable net assets and contingent liabilities acquired.

When losses attributable to shareholders of non-controlling interests exceed their interest in the subsidiary's equity, the Group absorbs this excess and any additional losses, except where Minority Shareholders have an obligation and are able to cover those losses. If and when the subsidiary subsequently reports profits, the Group appropriates all profits, until the minority share of the losses absorbed by the Group has been recovered.

3.3 KEY JUDGMENTS AND ESTIMATES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

In preparing the consolidated financial statements in accordance with the SNC, the Group's Board of Directors uses judgments, estimates and assumptions that affect the application of reported policies and amounts.

Estimates and judgments are continually evaluated and are based on the experience of past events and other factors, including expectations regarding future events deemed probable given the circumstances on which the estimates are based, or as a result of information or experience acquired. The actual effects may differ from the judgments and estimates made, particularly with regard to the impact of costs and income that may actually occur.

The most significant accounting estimates reflected in the consolidated financial statements are as follows:

(a) Useful life of tangible and intangible fixed assets

The useful life of an asset is the period during which an entity expects that asset to be available for use and must be reviewed at least at the end of each financial year.

The amortisation/depreciation method to be applied and the estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are essential to determining the effective useful life of an asset.

These parameters are defined according to the best management estimate for the assets and businesses in question, with the practices adopted by companies in the sectors in which the Group operates also being considered.

(b) Deferred tax assets

Deferred tax assets are recognised for all recoverable losses to the extent that it is probable that there will be taxable profit against which the losses can be used.

Taking into account the impact it may have on future results, judgment by the Board of Directors is required to determine the amount of deferred tax assets that may be recognised taking into account:

- The probable date and amount of taxable future profits; and
- Future tax planning strategies.

(c) Provisions for taxes

The Group, supported by the positions of its tax consultants and taking into account recognised liabilities, believes that any revisions to these tax returns will not result in material corrections in the consolidated financial statements requiring the recognition of any provision for taxes.

(d) Fair value of financial instruments

When the fair value of financial assets and liabilities at the consolidated balance sheet date is not determinable based on active markets, it is determined based on valuation techniques that include the discounted cash flow model, or other models appropriate in the circumstances. The inputs for these models are taken, whenever possible, from variables observable in the market, but where this is not possible, a certain degree of judgment is required to determine the fair value, which includes considerations regarding liquidity risk, credit risk and volatility.

(e) Post-employment benefits

The assessment of the liabilities for Retirement and Health Benefits attributed to the Company's employees is carried out annually by recourse to actuarial studies prepared by independent experts, based on actuarial assumptions associated with economic and demographic indicators. All indicators used are specific to the countries where the employee benefits are granted and include, among others:

- Salary Growth Rate, Fund Yield Rate and Technical Interest Rate;
- Mortality tables publicly available in Portugal;
- Future increases in wages and pensions based on expected inflation rates for the future, specific to Portugal.

Changes in the assumptions may have a material impact on liabilities.

(f) Development costs

Development costs are capitalised in accordance with the accounting policy described in Note 3. The initial capitalisation of the cost is based on the Board of Directors' judgment that technical and economic feasibility is confirmed, usually when a product development project has reached a milestone according to the project model established by the Board of Directors. In determining the amounts to be capitalised, the Board of Directors makes assumptions regarding the expected cash flows that will be generated in the future by the project, discount rates to be applied and the expected period of benefits.

(g) Impairment of accounts receivable

The credit risk of accounts receivable balances is assessed at each reporting date, taking into account the debtor's historical information and risk profile, as referred to under paragraph 3.1.

Accounts receivable are adjusted by assessing the estimated risks of non-recovery at the balance sheet date, which may differ from the actual risk to be incurred in the future.

(h) Provisions

The recognition of provisions is inherent to determining the likelihood of future outflows and measuring them reliably.

These factors are often dependent on future events that are not always under the control of the Group, which may lead to significant future adjustments, either due to changes in the assumptions used, or due to the future recognition of provisions previously disclosed as contingent liabilities.

(i) Provisions for dismantling and restoration

The provisions for the costs of dismantling and removing assets from property, plant and equipment and the costs of restoring the site where they are located are dependent on assumptions and estimates that make them sensitive to:

- The expected cost to be incurred;
- The foreseeable date of the occurrence of the costs;
- The discount rate used to discount expected cash outflows.

3.4 CHANGES IN ACCOUNTING POLICIES

As a result of the transposition into national law of Directive 2013/34/EU, of the European Parliament and of the Council, of 26 June 2013, through the publication of Decree-Law 98/2015 of 2 of June, there have been some changes at the level of the NCRF which are mandatory for years beginning on or after 1 January 2016. The application of those standards and interpretations did not have a material impact on the Group's financial statements.

04. CASH FLOWS

The balance of Cash and Cash Equivalents in the Statement of Cash Flows is broken down as follows:

	31/12/2020	31/12/2019
Cash	12 817	14 622
Demand Deposits	29 075 770	35 386 226
	29 088 586	**35 400 848**
Bank Overdrafts (Note 13.4)	2 075 796	-
	27 012 791	**35 400 848**

Amounts stated in Euros

05 RELATED PARTIES

5.1 GROUP ENTITIES

The Company is 100% owned by Bondalti SGPS, SA, which in turn is 100% owned by Bondalti Capital, SA.

Bondalti Capital, SA also discloses the consolidated Financial Statements.

The Companies included in the consolidation, their registered offices and proportion of capital held as of 31 December 2020 and 2019 are as follows:

Subsidiaries	Location	% Interest	Effective Control 2020	Effective Control 2019
Renoeste - Valorização de Recursos Naturais, S.A. ("Renoeste")	Estarreja	100%	100%	100%
Elnosa - Electroquímica del Noroeste, S.A. ("Elnosa")	Pontevedra	100%	100%	100%
Nutriquim - Produtos Químicos, S.A. ("Nutriquim")	Barreiro	100%	100%	100%
Bondalti Cantábria, S.A. ("B Cantábria")	Torrelavega	80%	96%	96%
Miralcalis - Activos de Produção de Cloro, S.A. ("Miralcalis")	Oeiras	80%	80%	80%

With respect to Renoeste, despite the efforts made in previous years, it has not yet proved possible to find a partner with experience in the production and commercialisation of salt that would allow it to resume normal operations, or an entity interested in acquiring the company or assets related to the operation.

Bondalti Cantabria started production for testing chlorine and derivatives in late 2019 and started production and commercialisation in early 2020. This financial year was impacted by the Covid-19 pandemic and some technical adjustments specific to the plant's start-up.

These subsidiary companies were included in the consolidation using the full consolidation method, using the criteria indicated in paragraph 3.2.

Associated Enterprises	Location	% Interest	2020	2019
AQP - Aliada Química Portugal, Lda ("AQP")	Estarreja	49.9%	49.9%	49.9%

5.2 RELATED PARTIES TRANSACTIONS

As of 31 December 2020 and 2019, the following transactions with related parties were carried out:

	2020		
Companies	**Sales/Services**	**Purchases Goods / Services**	**Other Income**
Bondalti CAPITAL, SA	-	3 828 124	74 653
Bondalti SGPS, SA	-	21 108	-
AQP Aliada Química Portugal, Lda	694 911	-	36 290
ENKROTT - Gestão e Tratamento de Águas, SA	-	107 332	-
DOLOPAND - Invest. Imobiliários e Turísticos, SA	-	300	-
	694 911	**3 956 864**	**110 944**

Amounts stated in Euros

	2019		
Companies	**Sales/Services**	**Purchases Goods / Services**	**Other Income**
Bondalti CAPITAL, SA	-	4 096 686	Amounts stated in Euros
Bondalti SGPS, SA	-	21 108	-
AQP Aliada Química Portugal, Lda	655 919	-	-
INNOVNANO - Materiais Avançados, SA	1 097	-	-
	657 016	**4 117 795**	**-**

As of 31 December 2020 and 2019, balances with related parties were as follows:

	31/12/2020			
	Assets		Liabilities	
Companies	**Trade Debtors (Note 13.1)**	**Other Accounts Receivable (Note 13.1)**	**Suppliers (Note 13.2)**	**Other debts payable (Note 13.3)**
Bondalti CAPITAL, SA	1 073	105 979	437 032	3 816 360
Bondalti SGPS, SA	-	-	6 491	-
AQP Aliada Química Portugal, S.A.	47 694	-	-	-
INNOVNANO – Materiais Avançados, S.A.	2 165	-	-	-
ENKROTT - Gestão e Tratamento de Águas, SA	-	-	30 750	-
DOLOPAND - Inves. Imobiliários e Turísticos, S.A.	-	-	300	-
	50 932	**105 979**	**474 573**	**3 816 360**

Amounts stated in Euros

	31/12/2019			
	Assets		Liabilities	
Companies	Trade Debtors (Note 13.1)	Other Accounts Receivable (Note 13.1)	Suppliers (Note 13.2)	Other debts payable (Note 13.3)
Bondalti CAPITAL, SA	955	234 200	798 839	4 230 806
Bondalti SGPS, SA	-	-	6 491	-
AQP Aliada Química Portugal, S.A.	138 867	-	-	-
INNOVNANO – Materiais Avançados, S.A.	5 914	-	7 182	-
	145 736	**234 200**	**812 511**	**4 230 806**

Amounts stated in Euros

As in previous years, the balance with Bondalti Capital in Other Payables refers to movements occurred within the scope of the RETGS.

06 PROPERTY, PLANT AND EQUIPMENT

The gross carrying amount, accumulated depreciation, impairment losses and the reconciliation of the carrying amount at the beginning and end of the period reflecting additions, revaluations, disposals, assets classified as held for sale, depreciation, impairment losses and their reversals and other changes are detailed in the following table:

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Property, Plant and Equipment	Investments in progress	Advances	Total Tangible Assets
Cost:									
1 January 2019	**1 184 675**	**39 494 434**	**292 190 668**	**675 742**	**2 857 590**	**2 157 992**	**22 025 503**	**6 373 007**	**366 959 611**
Increases	-	64 339	5 963 803	59 625	57 852	75 033	33 667 934	-	39 888 586
Closure of a subsidiary	-	75 676	11 560 605	-	2 989	106 613	-	-	11 745 883
Transfers	-	25 343	4 804 679	-	17 463	133 923	943 465	(5 819 730)	105 143
Disposals	(45 599)	(1 171 843)	(2 059 158)	(37 658)	(3 990)	(6 877)	-	-	(3 325 124)
31 December 2019	**1 139 076**	**38 487 950**	**312 460 597**	**697 709**	**2 931 904**	**2 466 685**	**56 636 902**	**553 277**	**415 374 100**
Increases	320	354 270	6 928 931	-	69 416	73 395	2 851 748	-	10 278 079
Other reclassifications	-	(4 502 077)	(5 608)	-	-	-	3 672 200	-	(835 486)
Transfers	-	12 909 037	48 163 020	-	31 995	53 672	(60 607 832)	(553 277)	(3 385)
Disposals	-	-	-	-	-	(578)	-	-	(578)
Write-offs	-	(2 094 841)	(14 186 202)	(17 107)	(269 958)	(672 772)	-	-	(17 240 879)
31 December 2020	**1 139 395**	**45 154 339**	**353 360 738**	**680 602**	**2 763 357**	**1 920 403**	**2 553 018**	**-**	**407 571 851**

Amounts stated in Euros

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Property, Plant and Equipment	Investments in progress	Advances	Total Tangible Assets
Depreciation and Impairment:									
1 January 2019	**219 308**	**31 215 818**	**220 073 557**	**614 357**	**2 738 073**	**1 841 039**	**-**	**-**	**256 702 152**
Depreciation (Note 25)	-	652 046	16 036 561	27 982	40 267	155 928	-	-	16 912 785
Other reclassifications	-	48 304	5 929 513	-	1 748	89 193			6 068 758
Transfers	-	(1 023 644)	(1 969 018)	(37 658)	(3 990)	(6 877)	-	-	(3 041 186)
31 December 2019	**219 308**	**30 892 525**	**240 070 613**	**604 681**	**2 776 099**	**2 079 282**	**-**	**-**	**276 642 508**
Depreciation (Note 25)	-	1 016 253	16 475 126	31 244	55 232	156 082	-	-	17 733 937
Other reclassifications		(827 990)		-	(55 193)	47 697	-	-	(835 486)
Disposals	-	-	-	-	-	(578)	-	-	(578)
Write-offs	-	(2 094 841)	(12 451 776)	(17 107)	(211 022)	(731 708)	-	-	(15 506 453)
31 December 2020	**219 308**	**28 985 947**	**244 093 963**	**618 818**	**2 565 116**	**1 550 776**	**-**	**-**	**278 033 929**
Net book value:									
At 31 December 2020	**920 087**	**16 168 391**	**109 266 774**	**61 784**	**198 241**	**369 627**	**2 553 018**	**-**	**129 537 922**
At 31 December 2019	**919 767**	**7 595 425**	**72 389 984**	**93 028**	**155 806**	**387 403**	**56 636 902**	**553 277**	**138 731 591**
At 1 January 2019	**965 366**	**8 278 616**	**72 117 112**	**61 385**	**119 517**	**316 953**	**22 025 503**	**6 373 007**	**110 257 459**

Amounts stated in Euros

As shown in the Table above, depreciation for the period amounted to 17,734,000 Euros (2019: 16,913,000 Euros) and accumulated depreciation and impairments at the end of the period amounted to 278,034,000 Euros (2019: 276,643,000 Euros).

Depreciation for the period was not included as part of the cost of other assets, and was fully recognised in profit or loss under the caption Depreciation and Amortisation Expenses/Reversals.

07. INVESTMENT PROPERTIES

Investment properties are held to earn income, or for capital appreciation or for both purposes. Therefore, an investment property generates cash flows highly independent of the other assets held by the entity, which are either occupied by Group companies, or are profitable through their use in the production of goods and services, or are intended for sale in the short term in the ordinary course of business.

As described in subdivision b) of paragraph 3.1., the Company adopts the cost model in the valuation of its investment properties.

The gross carrying amount, accumulated depreciation, impairment losses and the reconciliation of the carrying amount at the beginning and end of the period reflecting additions, revaluations, disposals, assets classified as held for sale, depreciation, impairment losses and their reversals and other changes are detailed in the following table:

	Land and natural resources	Buildings and other constructions	Total Investment property
Cost:			
1 January 2019	**19 222 354**	**2 338 339**	**21 560 693**
Increases	1 984	-	1 984
Disposals	(858 856)	-	(858 856)
31 December 2019	**18 365 482**	**2 338 339**	**20 703 822**
Disposals	(52 190)	-	(52 190)
31 December 2020	**18 313 292**	**2 338 339**	**20 651 632**

Amounts stated in Euros

	Land and natural resources	Buildings and other constructions	Total Investment property
Depreciation and Impairment:			
1 January 2019	**-**	**1 873 396**	**1 873 396**
Depreciation (Note 25)	-	46 589	46 589
31 December 2019	**-**	**1 919 985**	**1 919 985**
Depreciation (Note 25)	-	46 589	46 589
31 December 2020	**-**	**1 966 574**	**1 966 574**
Net book value:			
At 31 December 2020	**18 313 292**	**371 765**	**18 685 058**
At 31 December 2019	**18 365 482**	**418 355**	**18 783 837**
At 1 January 2019	**19 222 354**	**464 944**	**19 687 298**

Amounts stated in Euros

As shown in the Table above, depreciation for the period amounted to 47,000 Euros (2019: 47,000 Euros) and accumulated depreciation at the end of the period amounted to 1,967,000 Euros (2019: 1,920,000 Euros).

08 INTANGIBLE ASSETS

The gross carrying amount and any accumulated amortisation and the reconciliation of the carrying amount at the beginning and end of the period that separately shows additions, disposals, assets classified as held for sale, amortisations, impairment losses and other changes are found in the following table:

	Development Projects	Computer Programs	Industrial Property	Emission Rights	Total Intangible Assets
Cost:					
1 January 2019	**1 986 490**	**735 677**	**155 246**	**4 238 585**	**7 115 997**
Acquisitions	-	78 257	36 823	-	115 080
Other reclassifications	-	14 276	-	-	14 276
Uses of emission rights	-	-	-	(765 007)	(765 007)
Change in Fair Value	-	-	-	152 233	152 233
Disposals	-	-	(134 594)	(943 020)	(1 077 614)
31 December 2019	**1 986 490**	**828 210**	**57 475**	**2 682 791**	**5 554 966**
Uses of emission rights	-	-	-	(657 701)	(657 701)
Change in Fair Value	-	-	-	502 658	502 658
Transfers	-	3 385	-	-	3 385
Disposals	-	-	-	(784 320)	(784 320)
31 December 2020	**1 986 490**	**831 595**	**57 475**	**1 743 428**	**4 618 988**

Amounts stated in Euros

	Development Projects	Computer Programs	Industrial Property	Emission Rights	Total Intangible Assets
Amortisation and Impairment:					
1 January 2019	**1 935 268**	**639 696**	**23 844**	**744 558**	**3 343 365**
Amortisation (Note 25)	26 724	9 840	8 168	804 064	848 797
Other reclassifications	-	2 776	-	-	2 776
Disposals	-	-	(25 254)	-	(25 254)
Write-offs	-	-	-	(910 329)	(910 329)
31 December 2019	**1 961 992**	**652 312**	**6 758**	**638 293**	**3 259 356**
Amortisation (Note 25)	24 497	63 076	8 397	948 572	1 044 543
Write-offs	-	-	-	(805 104)	(805 104)
31 December 2020	**1 986 490**	**715 388**	**15 155**	**781 761**	**3 498 794**
Net book value:					
At 31 December 2020	**-**	**116 207**	**42 320**	**961 668**	**1 120 194**
At 31 December 2019	**24 497**	**175 898**	**50 717**	**2 044 498**	**2 295 611**
At 1 January 2019	**51 222**	**95 981**	**131 402**	**3 494 027**	**3 772 632**

Amounts stated in Euros

As shown in the Table above, amortisation for the period amounted to 1,045,000 Euros (2019: 849,000 Euros) and accumulated depreciation at the end of the period amounted to 3,499,000 Euros (2019: 3,259,000 Euros).

09 FINANCIAL HOLDINGS

As of 31 December 2020 and 2019, Financial Holdings were as follows:

	31/12/2020	31/12/2019
Equity Method		
Investments in Associated Enterprises (Note 9.1)	1 060 034	971 250
	1 060 034	**971 250**

Amounts stated in Euros

	31/12/2020	31/12/2019
Other Methods		
Investments in other companies		
Unlisted shares (Note 9.2)	9 533	9 533
	9 533	**9 533**

Amounts stated in Euros

9.1 INVESTMENTS IN ASSOCIATED ENTERPRISES

Associated enterprises, consolidated using the equity method, their respective headquarters and the proportion of capital held, are as follows:

	Financial information				
	Location	Equity capital	Net earnings	31/12/2020	31/12/2019
Equity method					
AQP	Estarreja	2 278 536	443 234	1 060 034	971 250

Amounts stated in Euros

The movements that occurred during the year in associated enterprises measured using the equity method were those shown in the following table:

	Balance at 1 January 2020	Net Earnings (Note 19)	Dividend Distribution	Balance at 31 December 2020
AQP	971 250	443 234	(354 450)	1 060 034

Amounts stated in Euros

	Balance at 1 January 2019	Net Earnings (Note 19)	Dividend Distribution	Balance at 31 December 2019
AQP	1 136 989	354 450	(520 189)	971 250

Amounts stated in Euros

9.2 FINANCIAL HOLDINGS - OTHER METHODS

	31/12/2020	31/12/2019
Erase - Emp. Regeneração de Águas e Solos de Estarreja, ACE	9 228	9 228
Other	13 705	13 705
	22 933	**22 933**
Amortisation and Provisions for losses on securities and other investments	(13 400)	(13 400)
	9 533	**9 533**

Amounts stated in Euros

10 INVENTORIES

10.1 INVENTORIES

The total carrying amount of inventories and the carrying amount in appropriate classifications are shown in the following table:

	31/12/2020	31/12/2019
Gross value		
Goods	0	0
Raw materials, subsidiary materials and consum.	14 999 273	14 512 920
Finished and semi finished products	4 672 426	5 754 059
	19 671 699	**20 266 979**
Impairment losses		
Raw materials, subsidiary materials and consum.	(442 962)	(442 962)
Finished and semi finished products	(467 648)	(467 648)
	(910 610)	**(910 610)**
	18 761 089	**19 356 370**

Amounts stated in Euros

The amounts of inventories recognised as an expense during the period are shown in the following tables.

10.2 CHANGE IN PRODUCTION

	Intermediate and Finished Products
Balance at 1 January 2019	**4 210 766**
Adjustments	588 643
Increase/decrease for the year	954 651
Balance at 31 December 2019	**5 754 059**
Balance at 1 January 2020	**5 754 059**
Adjustments	(977 963)
Increase/decrease for the year	(103 671)
Balance at 31 December 2020	**4 672 426**

Amounts stated in Euros

10.3 COST OF GOODS SOLD AND MATERIALS CONSUMED

	Goods	Raw Material, Subsidiary Material and Consumables	Total
Stocks at 1 January 2019	0	15 651 856	15 651 856
Purchases	1 610 062	164 406 851	166 016 913
Adjustment of inventories	-	225 631	225 631
Stocks at 31 December 2019	0	14 069 958	14 069 958
	1 610 062	**166 214 380**	**167 824 442**
Stocks at 1 January 2020	0	14 069 958	14 069 958
Purchases	2 740 511	122 595 578	125 336 088
Adjustment of inventories	-	2 123 519	2 123 519
Stocks at 31 December 2020	0	14 556 311	14 556 311
	2 740 511	**124 232 744**	**126 973 255**

Amounts stated in Euros

11. STATE AND OTHER PUBLIC BODIES

As of 31 December 2020 and 2019, this caption may broken down as follows:

	31/12/2020	31/12/2019
Balance Receivable		
Income tax	65 113	63 689
VAT	1 699 474	873 449
	1 764 587	**937 138**
Balance Payable		
Income tax		
Income Tax Withholdings	217 148	177 477
VAT	-	1 893 250
Social Security Contribution	272 749	257 866
	489 896	**2 328 592**

Amounts stated in Euros

12. DEFERRALS

12.1 REPORTABLE EXPENSES

As of 31 December 2020 and 2019, reportable expenses are broken down as follows:

	31/12/2020	31/12/2019
Reportable expenses		
Insurance	9 778	132 428
Financial charges	1 905 327	2 298 314
Other	294 765	13 590
	2 209 871	**2 444 332**

Amounts stated in Euros

Financial charges relate to the amortised cost referring to new borrowing.

12.2 REPORTABLE INCOME

As of 31 December 2020 and 2019, reportable income is broken down as follows:

	31/12/2020	31/12/2019
Reportable income		
Development rights	528 500	562 450
	528 500	**528 500**

Amounts stated in Euros

13. FINANCIAL INSTRUMENTS

The measurement bases used for financial instruments and other accounting policies used to account for financial instruments relevant to understanding the financial statements are described in subdivisions h) and o) of paragraph 3.1.

Assets	31/12/2020	31/12/2019
Non-current		
Other financial assets (Note 13.5)	61 200 609	61 192 964
	61 200 609	**61 192 964**
Current		
Trade debtors (Note 13.1)	27 229 980	38 768 910
Other receivables (Note 13.1)	1 990 157	1 872 293
	29 220 137	**40 641 203**

Amounts stated in Euros

Liabilities	31/12/2020	31/12/2019
Non-current		
Borrowings (Note 13.4)	115 000 000	140 000 000
Other payables (Note 13.3)	7 337 415	7 485 502
	122 337 415	**147 485 502**
Current		
Trade creditors (Note 13.2)	35 239 349	33 285 216
Advances from customers	592 750	132 888
Borrowings (Note 13.4)	27 075 796	25 000 000
Other payables (Note 13.3)	10 184 930	17 448 621
	73 092 824	**75 866 725**

Amounts stated in Euros

13.1 TRADE DEBTORS AND OTHER RECEIVABLES

The financial assets for which impairment was recognised, indicating, for each class, separately, i) the book value that results from measurement at amortised cost and ii) accumulated impairment are those indicated in the following tables:

	31/12/2020			31/12/2019		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
Clients						
Customers c/a	27 041 290	-	27 041 290	37 584 656	-	37 584 656
Trade bills receivable	113 907	-	113 907	1 009 881	-	1 009 881
Group Customers and Other Related Parties (Note 5.2)	50 932	-	50 932	145 736	-	145 736
Doubtful receivables	2 357 190	(2 333 338)	23 852	2 361 975	(2 333 338)	28 637
	29 563 318	**(2 333 338)**	**27 229 980**	**41 102 248**	**(2 333 338)**	**38 768 910**
Sundry receivables						
Other Debtors c/a	1 695 904	-	1 695 904	1 481 475	-	1 481 475
Other Doubtful debtors	269 316	(269 316)	-	269 316	(269 316)	-
Other Group Debtors (Note 5.2)	105 979	-	105 979	234 200	-	234 200
Staff	6 267	-	6 267	1 644	-	1 644
Advances to Trade creditors	182 007	-	182 007	154 974	-	154 974
	2 259 472	**(269 316)**	**1 990 157**	**2 141 608**	**(269 316)**	**1 872 293**

Amounts stated in Euros

The amount of impairment losses recognised for each of the financial asset classes is shown in the following tables:

31/12/2020	Opening balance	Use and Correction	Reversal (DR)	Closing balance
Financial assets measured at cost less impairment				
Trade Debtors				
General trade debtors	(2 333 338)	-	-	(2 333 338)
Other receivables-Current				
Other Debtors c/a	(269 316)	-	-	(269 316)
	(2 602 654)	**-**	**-**	**(2 602 654)**

Amounts stated in Euros

31/12/2019	Opening balance	Use and Correction	Reversal (DR)	Closing balance
Financial assets measured at cost less impairment				
Trade Debtors				
General trade debtors	(2 347 215)	7 841	6 036	(2 333 338)
Other receivables-Current				
Other Debtors c/a	(269 316)	-	-	(269 316)
	(2 616 531)	**7 841**	**6 036**	**(2 602 654)**

Amounts stated in Euros

13.2 TRADE CREDITORS

The caption Trade creditors as of 31 December 2020 and 2019 shows the following detail:

	31/12/2020	31/12/2019
Trade creditors		
Trade creditors c/a	28 678 763	24 041 365
Trade Bills Payable	1 637 464	1 793 392
Group Suppliers (Note 5.2)	474 573	452 207
Invoices pending approval	4 448 549	6 998 252
	35 239 349	**33 285 216**

Amounts stated in Euros

The caption invoices pending includes amounts referring to December electricity, in an amount of 2,046,000 euros.

13.3 OTHER PAYABLES

As of 31 December 2020 and 2019, the caption Other payables took the following form:

	31/12/2020	31/12/2019
Other Payables		
Non-Current		
Investment Providers c/a	2 637 415	2 785 502
Other Payables	4 700 000	4 700 000
	7 337 415	**7 485 502**
Current		
Investment Providers c/a	2 839 354	1 500 331
Staff	2 625	26 766
Holiday surcharge and holiday allowance	1 032 659	1 063 224
Other accruals	1 446 500	8 970 558
Other Payables	1 047 432	1 656 936
Other Payables - Group (Note 5.2)	3 816 360	4 230 806
	10 184 930	**17 448 621**

Amounts stated in Euros

Other Payables (non-current), in an amount of 4,700,000 euros, refer to the amount transferred by external entities, as supplies at Miralcalis.

Under the caption Investment Providers (non-current), a debt of B Cantábria was considered, which will only be settled within a period of more than one year.

The balance of the caption Other additions, in 2020, includes the anticipation of the water rates and affluent treatment fees, IMI and AIMI, and an amount of 873,000 euros resulting from the delivery of the concession of the salt unit, Clona, in Loulé, which will be settled upon presentation of the expenses arising from the work to be carried out, which was agreed in the concession contract.

13.4 BORROWINGS

Borrowings as of 31 December 2020 and 2019 are detailed as follows:

	31/12/2020		31/12/2019	
Financing entities	**Current**	**Non-current**	**Current**	**Non-current**
Bank loans at amortised cost	25 000 000	115 000 000	25 000 000	140 000 000
Bank overdrafts (Note 4)	2 075 796	-	-	-
	27 075 796	**115 000 000**	**25 000 000**	**140 000 000**

Amounts stated in Euros

Bank loans measured at current and non-current amortised cost are shown in the following table:

	31/12/2020	31/12/2019
Financing payable		
Non-current		
Bank Loans		
Commercial Banks	115 000 000	140 000 000
	115 000 000	**140 000 000**
Current		
Bank Loans		
Commercial Banks	25 000 000	25 000 000
	25 000 000	**25 000 000**
	140 000 000	**165 000 000**

Amounts stated in Euros

13.5 OTHER FINANCIAL ASSETS

The financial assets for which impairment was recognised, indicating, for each class, separately, i) the book value resulting from the measurement at cost or amortised cost and ii) accumulated impairment, are indicated in the following tables:

	31/12/2020			31/12/2019		
	Gross Amount	**Accumulated impairment**	**Net Amount**	**Gross Amount**	**Accumulated impairment**	**Importe neto**
Assets - Non-current						
Other financial assets						
Loans to Other Related Parties	61 187 645	-	61 187 645	61 180 000	-	61 180 000
Other	12 964	-	12 964	12 964	-	12 964
	61 200 609	**-**	**61 200 609**	**61 192 964**	**-**	**61 192 964**

Amounts stated in Euros

The other investments, Loans to Other Related Parties, relate to the subscription of bonds issued by the José de Mello Capital, SA group company, in an amount of 61,180,000 Euros. The bonds have a 10-year maturity and bear interest at normal market rates.

14. PROVISIONS

The accounting policies adopted for the recognition of Provisions are described in subdivision m) of paragraph 3.1.

14.1 PROVISIONS

The movement in provisions, for each provision, is reflected in the following table:

	Provisions for Mat. Environmental	Other Provisions	TOTAL
At 1 January 2019	**-**	**5 974 496**	**5 974 496**
Uses in the year	-	(692 812)	(692 812)
Reversals in the year (Note 29.1 + DR)	-	(37 100)	(37 100)
Increases in the year	150 000	1 544 280	1 694 280
At 31 December 2019	**150 000**	**6 788 863**	**6 938 863**
At 1 January 2020	**150 000**	**6 788 863**	**6 938 863**
Uses in the year	-	(1 632 567)	(1 632 567)
Reversals in the year (Note 29.1 + DR)	-	(1 210 000)	(1 210 000)
Increases in the year	-	766 039	766 039
At 31 December 2020	**150 000**	**4 712 334**	**4 862 334**

Amounts stated in Euros

The subsidiary Elnosa has set up a provision in an amount of 1,849,000 Euros, related to the decontamination of the land where its facilities are located, under concession for a period of 50 years, which ended in the financial year 2018, and another related to the dismantling of the facilities in an amount of 276,000 euros.

Within Nutriquim and in order to take account of the company's decommissioning plan, a provision was also set up in an overall amount of 1,150,000 Euros in 2013. However, during the last few years, part of the provision was used to cover costs within the same scope. The remainder of the provision at 31 December 2020 is 522,000 Euros.

The provisions set up at Bondalti Chemicals refer to: the interest that its subsidiary will have to pay to its investors, in an amount of 1 736,000 Euros; the decontamination of land that has been disposed of and which may be contaminated, in an amount of 150,000 Euros and the obligations vis-à-vis the ACE set up to resolve the Valas de São Filipe, work that will take place in the year 2021 and towards which the Group will be expected to contribute 510,000 Euros.

15. EMPLOYEE BENEFITS

15.1 EMPLOYEE BENEFITS

The reconciliation between the opening and closing balances of the present value of the benefit obligation is shown in the following table:

	Post-Employment Benefit		
	Defined Benefit Retirement Pension Plan (with no Fund established)	Medical Procedures Plan (with no Fund established)	Total
Obligation related to defined benefits, as of 1 January 2019	**3 030 246**	**481 890**	**3 512 136**
Interest cost	39 854	-	39 854
Benefits paid	(354 895)	(97 513)	(452 408)
Actuarial gains and losses	(85 355)	(20 338)	(105 693)
Obligation relating to defined benefits, as of 31 December 2019	**2 629 850**	**364 039**	**2 993 889**
Interest cost	18 496	-	18 496
Benefits paid	(327 441)	111 352	(216 088)
Actuarial gains and losses	495 669	-	495 669
Obligation relating to defined benefits, as of 31 December 2020	**2 816 574**	**475 391**	**3 291 965**

Amounts stated in Euros

15.2 POST-EMPLOYMENT BENEFITS

The Group's accounting policy for recognising actuarial gains and losses related to post-employment benefits with defined benefit plans is described in subdivision n) of paragraph 3.1.

Company	Plan Name	Type	Addresses	Location
Bondalti CHEMICALS	Retirement Pension Plan	Defined Benefit - Old age, disability or survivor's pension supplement	Of some of the former and present employees	Portugal
Bondalti CHEMICALS	Medical Procedures Plan	Defined Benefit - Medical Procedures without constituted fund	Of some of the former and present employees	Portugal

Bondalti Chemicals has commitments to some of its employees for the payment of supplements for old age, invalidity and survivor's pensions.

The aforementioned actuarial studies are performed using the following method:

Method called "Project Unit Credit", which uses the following assumptions and technical and actuarial bases, in 2020 and 2019:

	31/12/2019	31/12/2020
Salary Growth Rate for the purposes of Social Sec.	2.0%	2.0%
Salary Growth Rate	2.0%	2.0%
Fund Yield Rate	0.8%	0.8%
Pension Growth Rate	0.0%	0.0%
Discount Rate (Life Income)	0.8%	0.8%
Revaluation of Social Security Salaries	1.0%	1.0%
Mortality table	TV 88/90	TV 88/90
Disability table	EKV80	EKV80

Bondalti Chemicals is responsible for supplementing the retirement pensions of some of its former and current employees, and only in relation to them, with whom this responsibility has been assumed.

The Company, although it has not set up any fund or insurance to cover these liabilities, has set up a provision for this purpose, which is updated in accordance with an actuarial study carried out by a specialised and independent body. According to the valuation report presented by Actuariado - Estudos Actuariais, Económicos e Financeiros, the current value of the Company's liabilities with retirement pensions, at the balance sheet date, is estimated at 2,817,000 Euros (2,630,000 Euros in 2019), the Liability for Post-Employment Benefits being adjusted to this amount.

15.3 BENEFITS OF MEDICAL ACTS

Bondalti Chemicals is also responsible for bearing the costs of hospitalisation, consultations and surgical interventions according to the Company's regulations and the agreement in force with the Hospital of the CUF Infante Santo, as well as the part of the medicines not reimbursed by the National Health Service (only for medicines reimbursed by the National Health Service) in relation to some of its former and current employees with whom this liability was assumed.

Although it did not set up any fund or insurance to cover this liability, this subsidiary (Bondalti Chemicals) set up a liability to pay for the purpose, which is updated according to an actuarial study carried out by Actuariado - Estudos Actuariais, Económicos e Financeiros. According to the evaluation report presented, the current value of Bondalti Chemicals' past service liabilities with Medical Acts, as of 31 December 2020, is estimated at 475,000 Euros (364,000 Euros on 31 December 2019), which is included under the caption "Liabilities for Post-Employment Benefits".

15.4 STAFFING COSTS

The details of Staffing Costs are shown in the following table:

	2020	2019
Remuneration of Directors	1 513 243	1 072 908
Compensation of Staff	9 171 480	8 621 144
Retirement Benefits		
Retirement Pension Plan	520 313	(5 398)
Compensation Payments	822 793	772 359
Charges on Compensation	2 423 580	2 155 618
Insurance against accidents at work and occupational diseases	154 420	98 487
Social action expenses	1 047 532	820 301
Other staffing costs	193 154	212 034
	15 846 515	**13 747 452**

Amounts stated in Euros

During the years 2020 and 2019, the average number of staff employed by the Group was 298 and 305, respectively, as follows:

	2020	2019	Variation
Bondalti CHEMICALS	247	251	(4)
Renoeste	3	4	(1)
Elnosa	9	11	(2)
Nutriquim	1	1	-
Bondalti CANTÁBRIA	38	38	-
	298	**305**	**(7)**

(3 paid directors are included)

16. EQUITY INSTRUMENTS

16.1 CAPITAL

As of 31 December 2020 and 2019, the Company's capital, fully subscribed and paid-up, consisted of 6,110,000 Shares with a nominal value of 5 euros each, 100% held by Bondalti SGPS, SA.

16.2 RESERVES AND RESULTS

Reserve amounts are not available for distribution.

16.3 ADJUSTMENTS / OTHER CHANGES IN EQUITY

The amounts resulting from the change in the fair value of hedging instruments that was recognised in equity during the period, to cover the interest rate risk of the loans contracted for the Capacity Expansion Plan, and other adjustments, are those indicated in the following table:

	31/12/2020	31/12/2019
Adjustments to financial assets and liabilities		
Assets		
Financial Holdings	(13 354 313)	(13 354 313)
Liabilities		
Grants (Note 17)	4 137 859	5 565 727
Emission rights	629 164	1 468 358
	(8 587 290)	**(6 320 229)**

Amounts stated in Euros

The caption Adjustments in financial assets, as described in 3.1, has been rewritten and grouped for this new balance sheet line.

The movement in emission rights was as indicated in the following table:

	31/12/2020	31/12/2019
Balance at 1 January	**2 000 530**	**3 450 059**
Uses (Notes 22 and 29.1)	(948 572)	(925 408)
Fair Value (Note 29.1)	502 658	152 233
Disposals (Note 8)	(784 320)	(943 020)
Transfers	191 371	266 666
Balance at 31 December	**961 668**	**2 000 530**
Deferred Tax (Note 28)	(195 425)	(326 144)
Annual Adjustment	(137 078)	(206 028)
Balance at 31 December Net	**629 164**	**1 468 358**

Amounts stated in Euros

16.4 NON-CONTROLLING INTERESTS

As of 31 December 2020 and 2019, the details of non-controlling interests refer to the following subsidiary companies:

	31/12/2020		31/12/2019	
	Proportion in net earnings	Proportion in equity	Proportion in net earnings	Proportion in equity
Miralcalis	(124 889)	76 480	(82 619)	201 369
	(124 889)	**76 480**	**(82 619)**	**201 369**

Amounts stated in Euros

The subsidiary Miralcalis, which is 80% owned by the Group, with the remaining 20% held by external entities.

17. GRANTS AND OTHER SUPPORT FROM PUBLIC BODIES

The accounting policies adopted for the recognition of Government grants, including the presentation methods adopted in the financial statements, are described in subdivisions I.4.1) of paragraph 3.1.

The nature and extent of Government grants recognised in the financial statements are shown in the following table.

Recognised in Equity:

	2020			2019		
	Gross Value	Other Payables	Net Value	Gross Value	Other Payables	Net Value
Opening balance	**7 181 583**	**(1 615 856)**	**5 565 727**	**8 949 891**	**(2 013 725)**	**6 936 165**
Received during the year	30 935	-	30 935	-	-	-
Transferred to Profit or Loss (Note 22)	(1 882 326)	-	(1 882 326)	(1 768 308)	-	(1 768 308)
Adjustment	-	423 523	423 523	-	397 869	397 869
Closing balance	**5 330 192**	**(1 192 333)**	**4 137 859**	**7 181 583**	**(1 615 856)**	**5 565 727**
Attributable to the Group (Note 16.3)			**4 137 859**			**5 565 727**

Amounts stated in Euros

Recognised in Profit or Loss for the Year:

	2020	2019
Investment Grant (Note 22)	1 882 326	1 768 308
Revenue Grant	1 510	7 334
	1 883 836	**1 775 642**

Amounts stated in Euros

The main Investment grant relates to Bondalti Chemicals' Expansion and Growth Plan.

18. REVENUE

The accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving services provided, are described in subdivision q) of paragraph 3.1.

As of 31 December 2020 and 2019, the caption Sales and Services breaks down as shown in the following table:

	2018	2017
Sales of Goods		
Goods	17 214 489	36 116 035
Intermediate and Finished Products	226 978 907	251 690 539
By-products, Waste and Scrap	94 912	129 038
Sales Returns	(540 011)	(132 032)
Sales discounts and rebates	(8 104 085)	(12 892 829)
	235 644 212	**274 910 751**
Services Provided		
Services	1 780 612	1 773 944
Discounts and rebates	(138 577)	(31 770)
	1 642 035	**1 742 174**
	237 286 247	**276 652 924**

Amounts stated in Euros

Sales and services by significant geographic market are as shown in the following table:

	2020					
	Portugal	Europe	Africa	Asia	America	Total
Sales of Goods	137 522 483	87 751 856	133 173	1 905 624	8 331 076	**235 644 212**
Services Provided	1 179 485	462 551	-	-	-	**1 642 035**
	138 701 967	**88 214 407**	**133 173**	**1 905 624**	**8 331 076**	**237 286 247**

Amounts stated in Euros

	2019					
	Portugal	Europe	Africa	Asia	America	Total
Sales of Goods	179 197 208	94 997 331	44 010	133 401	538 800	**274 910 751**
Services Provided	1 194 401	547 773	-	-	-	**1 742 174**
	180 391 609	**95 545 104**	**44 010**	**133 401**	**800**	**276 652 924**

Amounts stated in Euros

The gross margin is as shown in the following table:

	2020	2019
Sales	235 644 212	274 910 751
Variation in Production (Note 10.2)	(103 671)	**954 651**
Cost of goods sold and materials consumed (Note 10.3)	(126 973 255)	(167 824 442)
	108 567 287	**108 040 959**

Amounts stated in Euros

19. GAINS/LOSSES CHARGED TO SUBSIDIARIES, ASSOCIATE ENTERPRISES AND JOINT VENTURES

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Income and Gains, Subs., Assoc. Ent. and Joint Vent.		
Application of the equity method (Note 9.1)	443 234	354 450
	443 234	**354 450**

Amounts stated in Euros

20. OWN WORK CAPITALISED

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Own work capitalised for:		
Property, Plant and Equipment (Note 6)	321 202	1 957 609
	321 202	**1 957 609**

Amounts stated in Euros

21. EXTERNAL SERVICES AND SUPPLIES

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Specialised Services		
Specialised Work	6 864 314	7 121 337
Advertising and Promotion	6 831	15 806
Security and Safety	617 456	535 629
Fees	159 919	140 019
Commissions	43 793	80 128
Maintenance and Repair	4 309 068	3 458 466
Services by Retainer Fee	1 368 380	1 036 680
Materials		
Tools and Fixtures	7 717	43 714
Books and Technical Documentation	47 424	91 257
Office Supplies	44 960	287 509
Samples	10 294	23 315
Other	142 740	56 715
Energy and Fluids		
Electricity	23 061 814	24 370 879
Fuels	2 590 790	3 458 075
Water	967 338	153 528
Gases	938 334	381 945
Other Fluids	-	67 169
Travel, lodging and transport		
Travel and Lodging	318 434	561 448
Transport of Staff	-	-
Transport of Goods	13 851 628	12 415 247
Transport - Other		93 831
Miscellaneous services		
Leases and Rents	2 834 091	2 714 994
Communication	53 002	46 468
Insurance	2 072 014	1 755 753
Royalties		-
Litigation and Notaries	6 521	22 540
Representation Expenses	25 688	86 699
Cleaning, Hygiene and Comfort	335 667	277 542
Other	8 509	3 796
Consolidation adjustments	9 508	(189 048)
	60 696 233	**59 111 441**

Amounts stated in Euros

22. OTHER INCOME

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Additional Income		
Royalties		
Assignment of staff		
Equipment hire	1 606 975	1 643 561
Other	374 324	440 143
Recovery of receivables	-	1 401
Income and Gains on Non-Financial Investments		
Disposals	265 018	2 554 363
Income and other Income from Investment Prop.	3 666	3 690
Gains on emission rights		
Use of rights allocated (Note 16.3)	948 572	925 408
Gains on the sale of emission rights	914 880	1 025 310
Other	46 200	46 200
Other		
Corrections relating to previous periods	54 257	315 780
Overestimation of Taxes	38 077	-
Apportionment of Investment Grants (Note 17)	1 882 326	1 768 308
Compensation payments for Insurable Events	472 932	2 032
Operating exchange differences (Note 24)	6 908	20 987
Other unspecified	256 264	136 389
	6 870 399	**8 883 571**

Amounts stated in Euros

The gains from emission rights refer to the apportionment of the grant from the Portuguese Carbon Fund relating to the reduction of CO_2 Emissions, in an amount of 949,000 Euros.

Gains on the sale of emission rights refer to the sale of 32,000 permits, as described in note 29.1.

23. OTHER EXPENSES

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Taxes	258 250	252 505
Prompt payment discounts	6 327	16 071
Irrecoverable debts	122	-
Expenses and Losses on Non-Financial Investments		
Disposals	-	255 685
Claims	-	2 932
Write-offs	-	109 340
Other		
Corrections relating to previous periods	32 004	40 230
Donations	172 278	147 238
Contributions	144 091	113 249
Inventory gifts and samples	3 937	-
Underestimation of taxes	64 585	163 352
Operating exchange differences (Note 24)	54 008	-
Fines and penalties		
Non-tax fines	2 282	236
Other expenses and losses	462 696	1 476 236
	1 200 580	**2 577 072**

Amounts stated in Euros

The taxes largely reflect the water rates and wastewater treatment rates, as well as the values of IMI and AIMI.

24. EFFECTS OF CHANGES IN EXCHANGE RATES

The amount of exchange differences recognised in profit or loss is as shown in the following table:

	2020	2019
Exchange gains included in:		
Other income and gains		
Other operating exchange differences (Note 22)	6 908	20 987
	6 908	**20 987**
Exchange losses included in:		
Other expenses and losses		
Other operating exchange differences (Note 23)	54 008	-
	54 008	**-**

Amounts stated in Euros

There were no changes in the functional currency either in relation to the parent company or in relation to each of the significant foreign operating units.

25. DEPRECIATION AND AMORTISATION EXPENSES/REVERSALS

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Depreciation and amortisation expenses		
Investment Properties (Note 7)	46 589	46 589
Property, Plant and Equipment (Note 6)	17 733 937	16 912 785
Intangible Assets (Note 8)	1 044 543	848 797
	18 825 069	**17 808 170**

Amounts stated in Euros

26. INTEREST AND SIMILAR INCOME EARNED

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Interest Received		
From Deposits	285 506	140 337
Other Similar Income		
SWAP raw material hedge	742 558	2 293 212
Other	79	2 030
	1 028 142	**2 435 579**

Amounts stated in Euros

27. INTEREST AND SIMILAR EXPENSES INCURRED

As of 31 December 2020 and 2019, this item is broken down as shown in the following table:

	2020	2019
Interest Paid		
From Borrowings	3 851 003	3 340 705
Other Financing Expenses and Losses		
Stamp Duty on Borrowings	4 168	8 205
SWAP Raw Material hedge	6 174	403 805
SWAP financing hedge	-	3 103 431
Other	165 895	531 876
	4 027 241	**7 388 023**

Amounts stated in Euros

Income from raw material hedging swaps corresponds to non-speculative transactions to mitigate the impact of changes in the prices of those raw materials on Bondalti Chemicals' operating cash flows.

28. INCOME TAX

Expenditure (income) for current taxes is as shown in the following table:

	2020	2019
Current Tax		
Corporation Tax for the year	5 522 815	6 889 423
	5 522 815	**6 889 423**
Deferred Tax		
Originated and reversed due to temporary differences	(1 604 576)	(1 988 070)
	(1 604 576)	**(1 988 070)**
	3 918 240	**4 901 354**

Amounts stated in Euros

The aggregate Deferred and current tax related to items debited or credited to equity is shown in the following table:

	2020	2019
Deferred tax		
Recognised in Revaluation Reserves	2 964 439	2 982 964
Recognised in Other Reserves	15 347	49 218
Grants	195 425	439 062
	3 175 211	**3 471 244**

Amounts stated in Euros

The amounts of deferred tax assets and liabilities recognised in the balance sheet for each period presented by each type of temporary difference and with respect to each type of unused tax losses and unused tax credits are shown in the following table:

	Balance Sheet Accounts		Income Statement Accounts		Other Equity Captions	
	31/12/2020	31/12/2019	2020	2019	31/12/2020	31/12/2019
Deferred Tax Assets						
Temporary differences:						
Other						
Post-employment benefits - Medical procedures	106 963	81 909	25 054	(26 516)	-	-
Post-employment benefits - Pensions	633 729	591 716	42 013	(90 089)	-	-
Provisions not accepted for tax purposes	677 920	823 263	(145 343)	306 723	-	-
Impairment of depreciable assets	911 171	1 096 121	(353 138)	110 367	-	-
Tax Losses	1 822 945	784 949	1 146 119	(687 048)	-	-
Tax Exemptions or Reductions	-	-	837 475	-	-	-
	4 152 728	**3 377 958**	**1 552 180**	**(386 563)**	**-**	**(645 584)**

Amounts stated in Euros

	Balance Sheet Accounts		Income Statement Accounts		Other Equity Captions	
	31/12/2020	31/12/2019	2020	2019	31/12/2020	31/12/2019
Deferred Tax Liabilities						
Temporary differences:						
Adjustments for transition to the SNC						
Revaluation of property, plant and equipment	15 347	49 218	(33 871)	(36 181)	-	85 400
Revaluation of investment properties	2 964 439	2 982 964	(18 525)	(200 025)	-	-
CO_2 Permit Grant	195 425	439 062	-	-	(243 637)	(326 144)
	3 175 211	**3 471 244**	**(52 396)**	**(236 206)**	**(243 637)**	**(240 744)**

Amounts stated in Euros

29. OTHER INFORMATION

29.1 ENVIRONMENTAL MATTERS - GREENHOUSE GASES EMISSIONS

Climate change measures have been a key element of environmental policy, with obvious implications in the near future.

Under the Climate-Energy Package, Directive 2009/29/EC, of the European Parliament and of the Council, of 23 April 2009 was published, amending Directive 2003/87/EC, of the European Parliament and of the Council, of 13 October 2003, so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community, hereinafter referred to as the "new EU ETS Directive", which presents the legal framework for EU ETS for the period 2013-2020.

With effect from 2013, the rules changed considerably, with a broadening of the scope through the introduction of new gases and sectors, with the total quantity of allowances being determined at Community level and the allocation of allowances carried out by auction, marginally maintaining free allocation, using benchmarks defined at Community level.

The national plans for the allocation of allowances were replaced, in the period 2013-2020, by a list of installations covered by the EU ETS scheme, and the respective amount of allowances to be allocated free of charge - the "NIM List" - drawn up based on data verified and submitted for this purpose by existing installations eligible for the allocation of allowances free of charge, under the terms of the aforementioned Commission Decision 2011/278/EU, of 27 April 2011.

For the period 2013-2020, CUF Químicos Industrias was allocated the allowances listed below per year, for a total of 546,203.

With the allocation of allowances for periods of 8 years, the Company recorded the total number of allowances allocated in the first year and carries out the respective recognition in each year of their use.

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Total
Assigned permits	72 799	71 534	70 255	68 962	67 656	66 336	65 001	63 660	546 203

The movement in tons of carbon dioxide, related to greenhouse gas emission licenses, had the following movement during the year:

	Opening balance	Disposals	Transfers	Used (Note 22)	Fair Value (Note 16.3)	Closing Balance
Balance 1 January 2020						
Tons	109 457	(32 000)	3 007	(26 886)	-	53 578
Amount (euros)	2 044 498	(784 320)	147 403	(948 572)	502 658	961 668
Balance 1 January 2019						
Tons	175 293	(39 000)	-	(26 836)	-	109 457
Amount (euros)	3 760 693	(943 020)	-	(925 408)	152 233	2 044 498

Emissions during the year 2020 were 26,886 t, and it can be seen that in relation to the allocated emissions, we have a positive difference in relation to the years elapsed of 53,578 t.

During the year, 32,000 t were sold, at market prices, in an amount of 915,000 Euros.

29.2 BANK GUARANTEES

As of 31 December 2020 and 2019, the Group had assumed responsibilities for guarantees provided, as follows:

Entities	2020 Amount	2019 Amount
Customs at the Port of Leixões, Freixieiro and Aveiro	75 000	75 000
Loulé City Council	74 282	74 282
Directorate-General of Energy and Geology	14 964	14 964
Portuguese Environment Agency	16 780	-
AdP - Águas de Portugal	-	6 977
	181 026	**171 223**

Amounts stated in Euros

The amount of 74,282 Euros corresponds to a guarantee demanded by the Municipality of Loulé in connection with the execution of the infrastructure of a division of land designated by Permit 2/2002, located in Betunes.

29.3 OPERATING LEASES - THE GROUP AS LESSEE

Operating leasing contracts in which the Group is lessee refer to vehicles and facilities. The contracts do not contain option to purchase clauses.

The total of future minimum lease payments on operating leases assuming the non-termination and renewal of existing ones, by period, is shown in the following table:

	2020	2019
Not more than one year	2 346 792	1 988 171
More than a year and not more than five years	8 020 365	7 952 685
More than five years and up to ten years	10 025 456	9 940 857
	20 392 611	**19 881 713**

Amounts stated in Euros

29.4 PLEDGES AND MORTGAGES

Under the financing contract signed in 2019 and in order to guarantee the proper fulfilment of the obligations arising from it, the company arranged a mortgage on land, pledge of equipment, pledge of bank account balances, pledge on the shares representing the share capital of Elnosa and Bondalti Cantabria and some credits and supplies were pledged in guarantees.

30. EVENTS AFTER THE BALANCE SHEET DATE

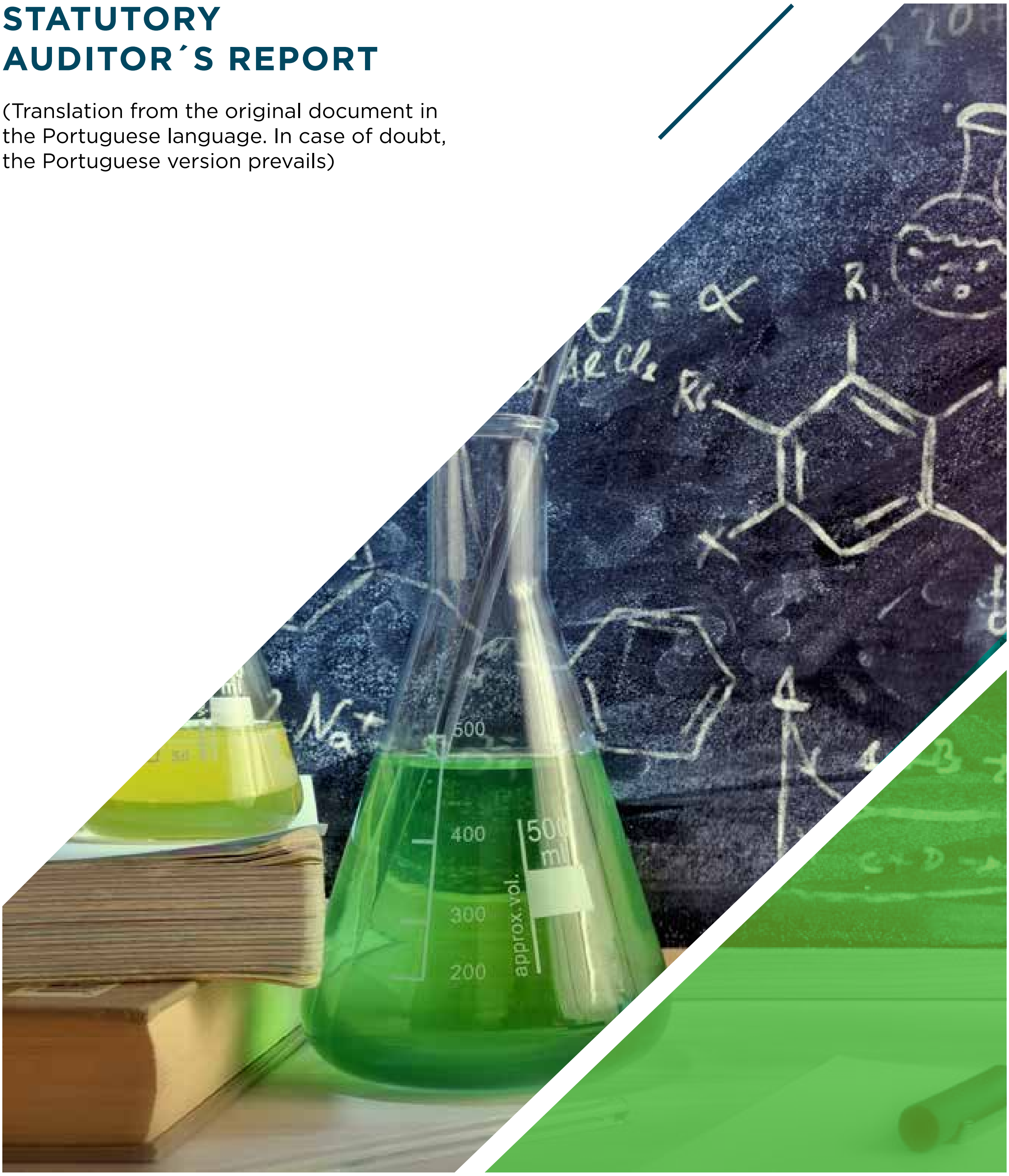
Since 31 December 2020 and up to that date, no events have occurred that have not already been adjusted for and/or disclosed in the financial statements.

The Board of Directors

The Certified Accountant

STATUTORY AUDITOR´S REPORT

(Translation from the original document in the Portuguese language. In case of doubt, the Portuguese version prevails)



STATUTORY AUDITOR´S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Bondalty Chemicals, S.A. (the Group), wich comprise the Consolidated Balance Sheet as at 31 December 2020 (showing a total of 296,810,349 euros and a total equity of 89,032,203 euros, including a net profit for the year of 14,928,783 euros), the Consolidated Income Statement by Nature, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bondalti Chemicals, S.A. as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System.

Basis for Opinion

We conducted our audit in accordance with International Standards of Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsabilities under those standards are further described in the "Auditor's responsabilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System;
- the preparation of the Management Report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, wether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material missatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will allways detect a material misstatement when it exists. Missatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgement and mantain professional scepticism throughout the audit. We also:

- identifiy and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion, and
- communicate with those charged with governance, regarding, among the matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsability also includes the verification that the information contained in the Management Report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consisten with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

Lisbon, 16 April 2021

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

Paulo Jorge Luís da Silva - ROC no. 1334
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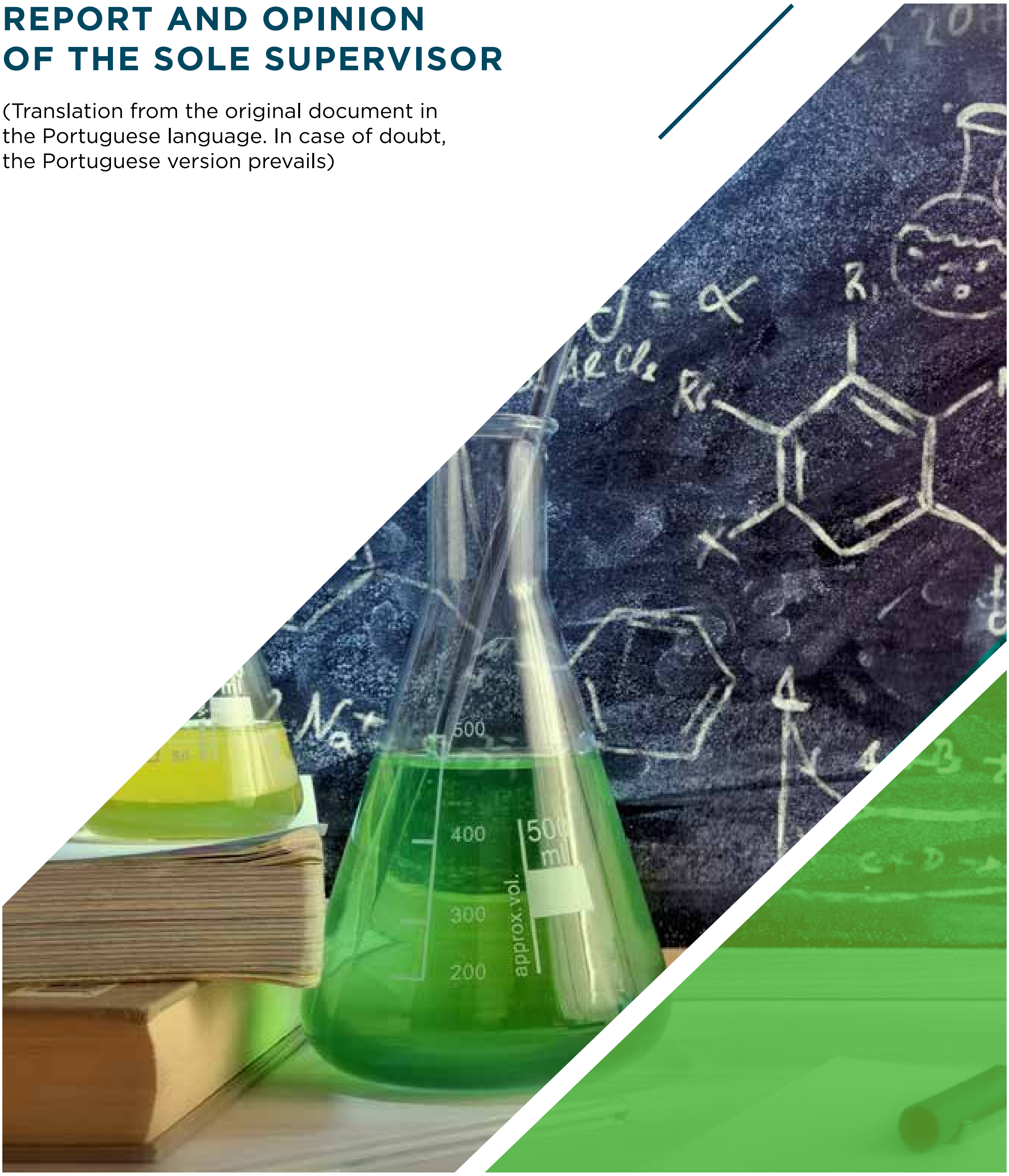
REPORT AND OPINION OF THE SOLE SUPERVISOR

(Translation from the original document in the Portuguese language. In case of doubt, the Portuguese version prevails)



REPORT AND OPINION OF THE SOLE SUPERVISOR

To the Shareholders,

In compliance with the requirements of article 420 par. g) together with article 508-D nr. 1 of the Commercial Companies Code, it is our responsability to issue the annual supervisory report and to issue an opinion on the individual and consolidated Management Report, the Individual and Consolidated Financial Statements and the proposal for appropriation of results presented by the Board of Directors of Bondalti Chemicals, S.A. (the Entity), for the year ended 31 December 2020.

During the year, we have monitored the activity of the Entity and we have performed the following procedures:

- Verified, to the extent considered appropriate, the accounting records and related supporting documentation;
- Verified, as necessary, to a nature and extent we considered appropriate, the existence of goods and others assets owned by the company or held by it as security, deposit or otherwise;
- Verified the completeness and resonableness of the individual and consolidated financial statements;
- Verified that the accounting policies and the measurement criteria adopted in the consolidated accounts lead to a fair presentation of the Balance Sheet and the operations of the Group for wich the Entity is the parent-company;
- Been available to receive communication of irregularities from shareholders, Entity employees;
- Confirmed that the Management Report of the Individual, the Balance Sheet, The Income Statement by Nature, the Statement of Changes in Shareholders Equity, the Statement of Cash Flows and the accompanying notes comply with legal requirements and reflect the underlying accounting records at the end of the year;
- Confirmed that the Consolidated Management Report, the Consolidated Statement of Balance Sheet, the Consolidated Income Statement by Nature, the Consolidated Statement of Changes in Shareholders Equity, the Consolidated Statement of Cash Flows and the accompanying notes comply with legal requirements and reflect the underlying accounting records at the end of the year;
- Verified the company's compliance with the law and with the articles of association of the Entity;
- Performed all the other responsabilities required by law an the articles of association.

During the course of the procedures we performed to comply with our supervisory duties, we obtained from the Board of Directors and from the Entity's personnel all information and documentation we consider necessary.

Within the scope of the statutory audit work we performed, the Statutory Auditor Opinion was issued today to corresponding Statutory Audit Opinion on the individual accounts without qualifications and without emphasis of matter and the corresponding Statutory Audit Opinion on the consolidated accounts without qualifications and without emphasis of matter.

In this context, we issue the following opinion:

OPINION OF THE SOLE SUPERVISOR

To the Shareholders,

We have performed our supervisory functions of Bondalti Chemicals, S.A. (the entity) in compliance with article 420 par. g) together with article 508-D nr. 1 of the Commercial Companies Code, and, consequently, it is our opinion that:

(a) The proposal for the appropriation of the results included in the Management Report of the 2020 year complies with the requirements regarding the constitution of the legal reserve and the limits on distribution of profits to shareholders foreseen in the Commercial Companies Code;

(b) The Management Report of the 2020 year comply with requirements in the Commercial Companies Code;

(c) The Balance Sheet, the Income Statement by Nature, the Statement of Changes in Shareholders Equity, the Statement of Cash Flows and the accompanying notes comply with legal and accounting requirements; and

(d) The Consolidated Balance Sheet, the Consolidated Income Statement by Nature, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the accompanying notes comply with legal and accounting requirements.

Lisbon, 16 April 2021

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

Paulo Jorge Luís da Silva - ROC no. 1334
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