

Preparing the future

In 2023, Bondalti's investment
reached 30 million euros

ANNEXES

About the Report

In accordance with the provisions of the Law and the Articles of Association, the Board of Directors of Bondalti Capital, SA submits the Integrated Report and other financial statements for the consideration of its *stakeholders*, which fully and transparently share the strategy, management and performance during the financial year from 1 January to 31 December 2023. This Report demonstrates how Bondalti, through its business model, creates value for the various *stakeholders* and contributes to the sustainable development of the society in which it operates.

This report was prepared in accordance with applicable national standards and the following international guidelines:

- Article 66 of the Companies Code (CSC)
- Article 130 of the Corporation Tax Code (CIRC) combined with Ordinance 92-A/2011 of 28 February
- International Integrated Reporting Framework from the Value Reporting Foundation
- Global Reporting Initiative (GRI)

- AccountAbility Standard AA1000AP (2018), for subscribing to the principles of Inclusion, Materiality, Response and Impact
- UN Sustainable Development Goals

Bondalti Capital reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023, including its subsidiaries, Bondalti Chemicals and Bondalti Water Solutions.

Taking into account their materiality with regard to Bondalti’s activity, the GRI General, Economic, Environmental and Social Standards indicators report information by company.

All financial information that makes up this Report was audited by EY - Ernst & Young, as expressed in the Statutory Auditor’s Report and Report and Opinion of the Supervisory Board, which are attached to this document. The non-financial information and GRI Standards indicators were audited by EY - Ernst & Young, as expressed in the Verification Report, which is attached.

Sources of additional information are:

- Individual Annual Reports of Bondalti companies
- <https://www.bondalti.com/>

Any request for further information can be sent via email to bondalti@bondalti.com

Consolidated accounts

Consolidated Balance Sheet at 31 December 2023

Amounts stated in euros

CAPTIONS	Notes	31/12/2023	31/12/2022	01/01/2022
Assets				
Non-Current Assets				
Property, Plant and Equipment	6	134 153 838	124 495 370	129 673 725
Right-of-use assets	7.1	19 993 721	19 346 358	21 319 491
Investment Properties	8	12 399 077	14 963 006	19 228 188
Goodwill	11.1	4 609 740	4 351 986	4 300 668
Intangible Assets	9.1	9 543 734	7 001 499	4 744 677
Financial Holdings - Equity Method	10.1	1 065 785	816 182	1 023 517
Financial Holdings - Other Methods	10.2	538 032	243 750	71 006
Other Financial Assets	15.1	61 408 300	61 950 858	62 472 073
Deferred Tax Assets	31	5 234 133	7 210 196	7 114 742
		248 946 361	240 379 206	249 948 087
Current Assets				
Inventories	12.1	38 271 869	40 400 508	27 529 690
Trade debtors	15.2	57 656 847	72 780 050	68 984 069
State and Other Public Bodies	13	1 499 290	887 929	-
Other Receivables	15.2	7 576 668	3 675 465	4 202 026
Deferrals	14.1	4 259 915	1 644 747	2 406 500
Financial Assets Held for Trading		-	-	1 507
Cash and Bank Deposits	4	60 640 341	35 626 885	22 945 588
		169 904 929	155 015 584	126 069 380
Total Assets		418 851 290	395 394 790	376 017 468

Amounts stated in euros

CAPTIONS	Notes	31/12/2023	31/12/2022	01/01/2022
Equity, Non-controlling interests and Liabilities				
Equity				
Subscribed Capital	18.1	20 422 000	20 422 000	20 422 000
Legal Reserves	18.2	4 084 400	4 084 400	4 084 400
Other Reserves	18.2	11 265 027	11 265 027	11 265 027
Unappropriated Earnings	18.2	86 438 265	64 735 840	48 361 969
Adjustments and Other Changes in Equity	18.3	(927 715)	1 921 692	2 920 054
Net Earnings for the Period		50 696 004	51 855 503	19 123 872
		171 977 982	154 284 461	106 177 321
Non-controlling interests	18.4	(683 335)	(294 958)	1 981 582
Total Equity		171 294 647	153 989 504	108 158 903
Liabilities				
Non-Current Liabilities				
Provisions	16	6 596 976	6 290 614	5 799 421
Borrowings	15.5	52 456 327	78 375 117	102 650 049
Lease liabilities	7.2	17 380 713	17 025 947	18 898 952
Liabilities for Post-Employment Benefits	17.1	1 892 172	2 122 023	2 645 769
Deferred tax liabilities	31	1 824 935	2 464 373	3 117 170
Other Payables	15.4	1 798 512	2 699 568	3 477 264
		81 949 635	108 977 641	136 588 625
Current Liabilities				
Trade creditors	15.3	61 929 292	63 248 483	67 540 947
Lease liabilities	7.2	3 062 956	2 594 489	2 420 539
Advances from Customers	15	5 346 250	2 913 659	4 311 259
State and Other Public Bodies	13	3 912 282	4 590 518	3 456 629
Borrowings	15.5	33 657 420	25 935 870	31 873 689
Other Payables	15.4	33 871 531	25 023 507	14 033 963
Deferrals	14.2	23 827 278	8 121 119	7 632 915
		165 607 008	132 427 645	131 269 940
Total Liabilities		247 556 643	241 405 286	267 858 565
Total Equity, Non-controlling interests and Liabilities		418 851 290	395 394 790	376 017 468

Consolidated Income Statement by Nature of Expense

Period ended 31 December 2023

Amounts stated in euros

INCOME AND EXPENSES	Notes	31/12/2023	31/12/2022
Sales and Services	20	503 630 414	596 069 430
Revenue Grants	19	1 959 909	401 486
Gains/Losses of Subsidiaries, Assoc. Enter. and Joint Ventures	21	(57 300)	733 637
Changes in Production Inventories	12.2	(2 109 570)	5 454 116
Own Work Capitalised	22	316 982	315 042
Cost of Goods Sold and Materials Consumed	12.3	(290 886 268)	(357 437 470)
External Charges for Services	23	(87 895 058)	(111 949 822)
Staffing Costs	17.4	(39 828 394)	(35 851 194)
Impairment of Inventories (Losses/Reversals)	12.4	(355 875)	-
Impairment of Receivables (Losses/Reversals)	15.2	95 528	74 134
Provisions (Increases/Decreases)	16	(443 062)	(536 194)
Impairment Non-Depreciable/Amortisable Inv.	9.2	(117 446)	-
Fair Value Increases/Decreases	27	1 358	(38 600)
Other Income	24	18 620 186	13 107 727
Other Expenses	25	(6 719 984)	(4 994 304)
Earnings Before Interest, Taxes, Depreciation and Amortisation		96 211 420	105 347 987
Depreciation and Amortisation Expenses/Reversals	28	(23 158 584)	(22 000 265)
Depreciation and Amortisation Expenses/Reversals - Leases	28	(3 226 266)	(2 773 818)
Earnings Before Interest and Taxes		69 826 570	80 573 904
Interest and Similar Income Earned	29	3 030 140	1 706 492
Interest and Similar Expenses Incurred	30	(2 838 150)	(14 127 660)
Financial expenses - Leases	30	(478 414)	(435 202)
Earnings Before Tax		69 540 146	67 717 534
Income Taxes for the Period	31	(19 004 934)	(15 830 169)
Net Income for the Period		50 535 213	51 887 366
Net Earnings for the Period attributable to:			
- Parent Company Shareholders		50 696 004	51 855 503
- Non-controlling interests	18.5	(160 792)	31 863
		50 535 213	51 887 366

Consolidated Statement of Comprehensive Income

Period ended 31 December 2023

Amounts stated in euros

	Notes	31/12/2023	31/12/2022
Consolidated net earnings for the year		50 535 213	51 887 366
Total comprehensive consolidated income for the year		50 535 213	51 887 366
Shareholders of the Parent Company			
Continued operations		50 696 004	51 855 503
Discontinued operations		-	-
Non-controlling interests			
Continued operations		(160 792)	31 863
Discontinued operations		-	-
		50 535 213	51 887 366

Consolidated Statement of Changes in Equity for the period 2023

Period ended 31 December 2023

Amounts stated in euros

DESCRIPTION		Fully Paid-Up Capital (Note 18.1)	Legal Reserves (Note 18.2)	Other Reserves (Note 18.2)	Adjustments / Other changes in equity (Note 18.3)	Unappropriated Earnings (Note 18.2)	Net Income for the Period (Note 18.2)	Total	Non-controlling interests (Note 18.5)	Total Equity
POSITION AT THE BEGINNING OF THE PERIOD 2022	1	20 422 000	4 084 400	11 265 027	2 920 054	48 361 969	19 123 872	106 177 321	1 981 582	108 158 903
CHANGES IN THE PERIOD										
Adjustments for Financial Assets - Subsidiaries		-	-	-	(998 362)	-	-	(998 362)	1 466 880	468 518
	2	-	-	-	(998 362)	-	-	(998 362)	1 466 880	468 518
NET EARNINGS FOR THE PERIOD	3						51 855 503	51 855 503	(23 347)	51 832 156
COMPREHENSIVE INCOME	4=2+3						51 855 503	50 857 141	1 443 533	52 300 674
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD										
Minority shareholders transferred to subsidiary								-	(3 720 073)	(3 720 073)
Distributions		-	-	-	-	(2 750 000)	-	(2 750 000)	-	(2 750 000)
	5	-	-	-	-	(2 750 000)	-	(2 750 000)	(3 720 073)	(6 470 073)
DISTRIBUTION OF PROFITS										
Transfer of Earnings for the year to Unappropriated Earnings		-	-	-	-	19 123 872	(19 123 872)	-	-	-
	6	-	-	-	-	19 123 872	(19 123 872)	-	-	-
POSITION AT THE END OF THE 2022 PERIOD	7=1+2+3+5+6	20 422 000	4 084 400	11 265 027	1 921 692	64 735 840	51 855 503	154 284 462	(294 957)	153 989 504
POSITION AT THE BEGINNING OF THE PERIOD 2023	7	20 422 000	4 084 400	11 265 027	1 921 692	64 735 840	51 855 503	154 284 462	(294 957)	153 989 504
CHANGES IN THE PERIOD										
First-time adoption of the new accounting framework		-	-	-	-	(153 069)	-	(153 069)	-	(153 069)
Adjustments to Financial Assets - Subsidiaries		-	-	-	(2 849 407)	-	-	(2 849 407)	(227 586)	(3 076 992)
	8	-	-	-	(2 849 407)	(153 069)	-	(3 002 476)	(227 586)	(3 230 062)
NET EARNINGS FOR THE PERIOD	9	-	-	-	-	-	50 696 004	50 696 004	(160 792)	50 535 213
COMPREHENSIVE INCOME	10=8+9						50 696 004	47 693 528	(388 377)	47 305 151
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD										
Distributions		-	-	-	-	(30 000 000)	-	(30 000 000)	-	(30 000 000)
	11	-	-	-	-	(30 000 000)	-	(30 000 000)	-	(30 000 000)
DISTRIBUTION OF PROFITS										
Transfer of Earnings for the year to Unappropriated Earnings		-	-	-	-	51 855 503	(51 855 503)	-	-	-
	12	-	-	-	-	51 855 503	(51 855 503)	-	-	-
POSITION AT THE END OF THE 2023 PERIOD	13=8+9+11+12	20 422 000	4 084 400	11 265 027	(927 715)	86 438 274	50 696 004	171 977 990	(683 335)	171 294 655

Consolidated Statement of Cash Flows

Period ended 31 December 2023

Amounts stated in euros

	Notes	31/12/2023	31/12/2022
Cash flow from operating activities - direct method			
Receipts from Customers		569 171 836	618 229 497
Payments to Suppliers		(402 381 172)	(495 414 350)
Payments to Staff		(34 377 243)	(23 200 595)
Cash generated by operations		132 413 420	99 614 552
Income tax payments/receipts		(16 752 192)	(2 658 279)
Other receipts/payments		(27 202 474)	(41 127 139)
Cash flow from operating activities (1)		88 458 755	55 829 134
Cash flow from investing activities			
Payments with respect to:			
Property, Plant and Equipment		(26 852 847)	(15 349 029)
Financial Investments		(950 846)	(996 083)
Other Assets		(423 000)	(500 000)
		(28 226 694)	(16 845 112)
Receipts from:			
Property, plant and equipment		24 616	163 500
Investment Properties		221 067	9 840 967
Financial Investments		43 685	3 526
Other assets		51 266	46 200
Investment grants		18 225 560	229 545
Interest and similar income		508 802	410 832
Dividends		190 226	397 288
		19 265 222	11 091 858
Cash flow from investing activities (2)		(8 961 472)	(5 753 254)

Amounts stated in euros

	Notes	31/12/2023	31/12/2022
Cash flow from financing activities			
Receipts from:			
Borrowings		8 422 583	46 024 509
Investment grants		-	66 406
Other financing transactions		25 577	4 000 000
		8 448 160	50 090 915
Payments with respect to:			
Borrowings		(26 678 275)	(74 453 439)
Lease liabilities - payments		(3 205 870)	(2 499 741)
Lease liabilities - interest		(2 294 826)	(870 403)
Interest and similar expenses		(542 873)	(2 911 915)
Dividends		(30 000 000)	(2 750 000)
Other financing transactions		-	(4 000 000)
		(62 721 844)	(87 485 497)
Cash flow from financing activities (3)		(54 273 683)	(37 394 583)
Changes in cash and cash equivalents (1+2+3)		25 223 600	12 681 296
Effect of exchange differences		(210 143)	-
Cash and its equivalents at the start of the period	4	35 626 885	22 945 588
Cash and cash equivalents at the end of the period	4	60 640 341	35 626 885

Notes to the Consolidated Financial Statements

This document contains the disclosures required under the International Financial Reporting Standards (IFRS), in relation to the annual period 2023.

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Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

1. Identification of the Entity

The Bondalti Group (“Group”), designated by the parent company Bondalti Capital, SA, has its headquarters in Lisbon and was incorporated on 19 May 1997. Bondalti Capital’s corporate purpose is consultancy in the economic, financial and human resources areas, company management, provision of services of any nature, as well as carrying out all related operations.

Bondalti Capital is currently the holding company for a group of companies that operate in Portugal and Spain in three different activities:

- Chemicals area – production and marketing of industrial chemicals;
- Real estate area – purchase and sale of immovable property;
- Water Treatment area – production and marketing of products and technologies for water treatment.

The parent company of the Bondalti Group is José de Mello Capital, SA and has its registered office in Lisbon.

The consolidated financial statements for the year ended 31 December 2023 were approved by the Board of Directors and authorised for publication on 27 February 2024.

They are still subject to the approval of the General Meeting of Shareholders, pursuant to prevailing commercial law in Portugal.

The Board of Directors believes that these consolidated financial statements reflect fairly and appropriately the financial position, income from operations, changes in equity and cash flows of the company in accordance with the International Financial Reporting Standards (IAS/IFRS) (Note 2).

2. Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements are as follows:

2.1 – Basis of preparation

In accordance with Decree-Law 35/2005, of 17 February, as subsequently amended by Decree-Law 98/2015, of 2 June, which transposes into Portuguese law the provisions of Regulation (EC) 1606/2002 of the European Parliament and of the Council, of 19 July 2002, these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and

Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC), effective as of 1 January 2023 and adopted by the European Union.

The consolidated financial statements of the Bondalti Capital Group are presented in euros in amounts rounded to the nearest unit, as this is the functional currency of the company’s operations and as such, considered its functional currency.

The attached consolidated financial statements have been prepared from the books and accounting records of the company, its subsidiaries, joint undertakings and associated enterprises and adjusted during the process of consolidation, in accordance with the going concern principle. In preparing the consolidated financial statements, the Group took historical cost as a basis, except in the case of “Financial holdings – Other methods”, which were measured at fair value.

In preparing the financial statements in compliance with the IFRS, the Board of Directors used estimates, assumptions and critical judgments with an impact on the value of assets and liabilities, as well as the revenue and expenses reported for each reporting period. Although these estimates are based on the

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

best information available at the date of preparation of the financial statements, current and future results may differ from these estimates. The areas involving a greater degree of judgment or complexity, or areas in which the assumptions or estimates are important for the financial statements, are presented in Note 2.4.

For all periods up to 31 December 2023, inclusive, the company prepared its financial statements in accordance with accounting principles generally accepted in Portugal (NCRF). The financial statements for the period ended 31 December 2023 are the first financial statements that the company prepared in accordance with the IFRS. The impacts of adopting IFRS for the first time are disclosed in Note 3.

(1) Property, plant and equipment

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

Property, plant and equipment is recorded at acquisition cost less depreciation and accumulated impairment losses. The acquisition cost includes the asset’s purchase price, expenses directly attributable to its purchase and amounts paid for the preparation

of the asset for use. Financial costs incurred with financing obtained for the construction of eligible property, plant and equipment are recognised as part of the construction cost of the asset. Subsequent costs incurred with overhauls and major repairs resulting in an increase in the useful life, or the ability to generate economic rewards from the assets, are recognised in the cost of the asset.

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:

	2023	2022
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 Equipment	5.88 - 50.00	5.88 - 50.00
Other Property, Plant and Equipment	12.5 - 20.00	12.5 - 20.00

The residual values and expected useful lives are periodically reviewed and adjusted, if appropriate, at the reporting date.

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 of inventories, 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.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Any gain or loss resulting from the de-recognition 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 de-recognised.

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.

In case of impairment loss, the value of the item of property, plant and equipment is adjusted accordingly, with the respective adjustment being considered a loss for the year. In assessing whether evidence of impairment exists, the following are taken into account:

- During the period, the market value of an asset declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes occurred during the period, or will occur in the near future, having an adverse effect on the entity in relation to the technological, market, economic or legal environment in which the

entity operates or in the market to which the asset is allocated;

- Market interest rates or other investment return market rates increased during the period, and those increases are likely to affect the discount rate used in calculating the current use value of an asset and will materially decrease the recoverable amount of the asset;
- The carrying amount of the net assets of the entity is higher than its market capitalisation;
- Evidence is available of obsolescence or physical damage to an asset;
- Significant changes having an adverse effect on the entity occurred during the period, or are expected to occur in the near future, to the point at which, or in a way in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operating unit to which the asset belongs, and plans to dispose of an asset before the date previously expected;
- There is evidence in internal reporting indicating that the economic performance of an asset is, or will be, worse than expected.

Regardless of whether or not there is evidence of impairment, assets that are not yet available for use

are tested annually for impairment. Reversals of impairment are recognised in the income statement (unless the asset is carried at the revalued amount, in which case it is treated as a revalorisation increase) and shall not exceed the carrying amount of the asset that would have been determined if no impairment loss had been recognised previously.

(2) Investment Properties

Investment properties comprise the value of land and buildings not used for productive activity. They are originally recorded at historical acquisition cost, plus expenditure attributable to purchase or production, including, where relevant, financial charges attributed to them during the respective construction or installation period. 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:

	2023	2022
Buildings and Other Structures	2.00 - 10.00	2.00 - 10.00

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

Properties are de-recognised when sold. When the investment property starts to be used in the Group’s activity, it is reclassified as an item of property, plant and equipment. In cases where land and buildings are no longer allocated to the Group’s activity, a reclassification from property, plant and equipment to investment property will be recorded.

(3) Intangible Assets

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

Intangible assets are only recognised if future economic benefits are likely to arise, and if the Group has the power to control them and can reasonably measure their value.

When acquired within the scope of a combination of business activities, separable from goodwill, intangible assets are initially recognised at fair value on the acquisition date (which is considered as a cost), determined under the ambit of applying the purchase method, as provided for by IFRS 3 Business Combinations. After initial recognition, these are recognised on the same basis as intangible assets and acquired separately, except in situations where these

expenses are directly associated with projects for which the generation of future economic benefits for the Group is likely. In these situations, the expenses are capitalised as intangible assets.

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. The indefinite life assessment is reviewed annually to determine whether the indefinite life continues to be warranted. 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 “Depreciation and Amortisation Expenses/ Reversals”.

The impairment of these assets is determined based on the criteria described under subdivision 5) Impairment of non-financial assets.

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

	2023	2022
Development Projects	20.00 - 33.33	20.00 - 33.33
Computer Programs	33.33	33.33
Industrial Property	20.00 - 33.33	20.00 - 33.33
Goodwill	10.00	10.00
Other Intangible Assets	20.00 - 33.33	20.00 - 33.33

An intangible asset is de-recognised at the time of disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the de-recognition of an intangible asset is included in the profit or loss for the year in which the asset is de-recognised. Below are some specifics regarding each type of intangible asset.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

(3.1) 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.

(3.2) Computer Programs

Computer programs acquired from third parties are recognised under this caption.

Internal costs associated with the maintenance and development of computer programs are recognised as expenses when incurred because it is considered that they cannot be measured reliably and/or do not generate future economic benefits.

(3.3) 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.

(3.4) Emission Rights

CO₂ emission permits allocated to the Group under the National Allocation Plan for CO₂ Emission Permits are recognised in accordance under the item Intangible Assets as a contra entry to Deferrals, 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 CO₂ emissions made by the company, 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 Sundry Income, as a contra entry to Grants and Donations.

Whenever the Group makes CO₂ emissions without being the holder of the respective permits, a provision is recognised for the amount corresponding to the best price estimate for their acquisition, plus an estimate of the amount of the penalties incurred for the emission of the CO₂ 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 Sundry Income - Income and Gains on Non-Financial Investments or Sundry 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 Deferrals or Profit or Loss is adjusted according to whether they are allocated permits or acquired permits, respectively.

(4) Right-of-use assets and lease liabilities

The Group assesses, at contract inception, whether a contract is, or contains, a lease. Thus, if the contract transfers the right to control the use of an identified asset for a period in exchange for consideration, it should be considered a right-of-use asset.

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(4.1) Right-of-use assets

The Group recognises right-of-use assets on the lease start date (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right of use includes the value of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the start date, less any incentives received.

The right-of-use asset is depreciated using the straight-line method based on the lease period. If ownership of the asset is transferred to the Group at the end of the lease term, or the cost includes a purchase option, depreciation is calculated taking into account the estimated useful life of the asset.

Right-of-use assets are also subject to impairment, in accordance with the policy presented in this Note under subdivision 5) Impairment of non-financial assets.

(4.2) Lease liabilities

On the start date of the lease, the Group recognises

lease liabilities measured at the present value of rent payments to be made during the term of the contract. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid in relation to residual value guarantees. Payments also include the exercise price of a purchase option, if it is reasonably certain to be exercised by the Group, and penalty payments for terminating the contract, if the terms of the lease reflect the Group’s exercise option.

Variable lease payments that do not depend on an index or rate are recognised as expenses for the year, in the year in which the event or condition that triggers the payment occurs.

When calculating the present value of future lease payments, the Group uses the incremental interest rate at the start date of the lease, as the implicit interest rate of the lease is not readily determinable. After the start date, the value of the lease liabilities is increased to reflect the accrual of interest and reduced by the payments made. Additionally, the value of lease liabilities is remeasured if there is a modification, a change in the term of the lease, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to

determine such commercial lease payments) or a change in the assessment regarding the exercise of an option to purchase the underlying asset.

(4.3) Short-term and low-value leases

The Group applies exemption from recognition to its short-term asset leases (leases with terms of 12 months or less, and that do not feature a purchase option). It also applies exemption from recognition of low-value assets for the lease of equipment considered to be of low value. Payments of rents for short-term and low-value leases are recognised as expenses in the year, over the course of the lease term.

(4.4) Group as lessee

Leases in which the Group does not transfer substantially all the risks and rewards inherent to ownership of an asset are classified as operating leases. Lease revenue is accounted for using the straight-line method over the lease terms and is included in revenue in the income statement due to its operational nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the term of the lease on the same basis as the revenue. Contingent leases are recognised as revenue in the period in which they occur.

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(5) Impairment of non-financial assets

Impairment testing is conducted whenever an event or change in circumstances is identified indicating that the amount at which the asset is recorded may not be recoverable.

Whenever the amount by which the asset is recorded exceeds its recoverable amount, an impairment loss is recognised.

In order to determine the existence of impairment, assets are allocated at the lowest level for which there are separate identifiable cash flows from the cash-generating units. When measuring impairment, both internal and external sources of information are considered. Testing is carried out if the profitability of the cash-generating units is consistently below a minimum threshold, from which there is a risk of impairment of the assets. Impairment testing is carried out internally. Whenever impairment testing is carried out, future cash flows are discounted at a specific rate for the cash generating unit, which takes into account the risk of the market in which it operates.

Impairment losses are recognised as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the

fair value of the asset, less selling costs, and its current use value. Impairment losses, if any, are allocated specifically to the individual assets that make up the cash-flow-generating unit. Non-financial assets, for which impairment losses have been recognised are reviewed at each reporting date to reverse these losses.

The reversal of impairment losses recognised in previous financial years is recorded where it is concluded that the previously recognised impairment losses no longer exist or have decreased. This reversal of the impairment loss is carried out up to the amount that would be recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in previous financial years.

(6) Financial interests - equity method

Investments in associated enterprises are valued in accordance with the equity method.

Financial investments in associated enterprises are investments over which the Group exercises significant influence (percentage interest is greater than 20%), but over which it does not have control or joint control. Therefore, the Group has the power to participate in decisions relating to the financial and operating policies

of the entity, without, however, exercising control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group’s investments in its associated enterprises and joint ventures are accounted for using the equity method.

Under the equity method, investment in an associated enterprise or joint venture is initially recognised at cost or fair value if the entities are acquired through business concentration processes.

After the acquisition date, the carrying amount of the investments:

- Must be increased or decreased to recognise the share in the profit or loss of the investees after the acquisition date;
- Must be reduced by the distributions of profits received;
- Must be 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

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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 value of the investment 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.

Any excess of the acquisition cost of a financial investment over the Group’s share in the fair value of the assets and liabilities at the date of acquisition of the associated enterprises is recognised as goodwill, which is included in the value of the financial stake and its recovery is assessed annually as an integral part of the financial investment. If the acquisition cost is less than the fair value of the net assets of the acquired joint venture and associated enterprise, the difference is recognised directly in the income statement. Unrealised gains on transactions with associated companies are eliminated proportionally to the Group’s interest in the aforementioned entities, as a contra entry to the investment in that same associate. Unrealised losses are similarly eliminated, but only to the extent to which the loss does not confirm that the transferred asset is impaired.

(7) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(7.1) Financial assets

Initial recognition and measurement

Initially, assets are classified and subsequently

measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The initial classification of the financial assets depends on the contractual characteristics of the cash flows and the business model that the Group adopts to manage them. With the exception of accounts receivable from customers that do not contain a significant financial component, and for which the Group adopts the practical expedient, the Group initially measures a financial asset at its fair value, plus, in the case of an asset not classified at fair value through profit or loss, the transaction costs. Accounts receivable from customers that do not contain a significant financial component and for which the Group adopts the practical expedient referred to in section m) are measured at the transaction price determined in accordance with IFRS 15.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it must provide cash flows that represent only capital repayments and interest payments on outstanding capital. This assessment, known as the “cash flows from capital repayments and interest payments only” test, is performed for each financial instrument.

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The business model for managing financial assets concerns the way in which the Group manages financial assets with a view to obtaining cash flows. The business model can be designed to obtain contractual cash flows, to dispose of financial assets, or both.

Purchases or sales of financial assets that require the delivery of the assets within a period established by regulation or conventions in the market in question are recognised on the negotiation date, i.e., on the date on which the Group commits to buy or sell the asset.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories:

- 1. Financial assets at amortised cost (debt instruments)
- 2. Financial assets at fair value through other comprehensive income, with recycling of the accumulated gains and losses (debt instruments)
- 3. Financial assets at fair value through other comprehensive income, without recycling of the accumulated gains and losses at the time of their de-recognition (equity instruments)
- 4. Financial assets at fair value through profit and loss

1. Financial assets at amortised cost (debt instruments)

The financial assets are measured at amortised cost if both the conditions presented below are met:

- The financial asset is held under the ambit of a business model, the objective of which is to hold the financial asset to obtain the contractually foreseen cash flows; and
- The contractual terms of the financial asset give rise, on defined dates, to cash flows that correspond only to capital repayments and interest payments on the outstanding capital.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in profit or loss when the asset is de-recognised, modified or impaired. The financial assets that the Group measures at amortised cost include essentially “Trade accounts receivable” and “Other receivables”.

2. Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt instruments at fair value through other comprehensive income if both of the

following conditions are satisfied:

- The financial asset is held under the ambit of a business model, the objective of which is to hold the financial asset to obtain the contractually foreseen cash flows and the cash flows resulting from its sale; and
- The contractual terms of the financial asset give rise, on defined dates, to cash flows that correspond only to capital repayments and interest payments on the outstanding capital.

In the case of debt instruments measured at fair value through other comprehensive income, the interest earned, exchange rate differences and impairment losses and reversals are recorded in profit or loss and calculated in the same way as financial assets measured at amortised cost. The remaining fair value changes are recorded in other comprehensive income. At the time of de-recognition, changes in fair value accumulated in other comprehensive income are transferred (recycled) to profit or loss. At 31 December 2023, the Group does not have any financial assets classified in this category.

3. Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, a decision may be made

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to irrevocably classify equity instruments held as equity instruments designated at fair value through other comprehensive income, when they meet the definition of capital set out in IAS 32 - Financial instruments (disclosure and presentation) and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recorded as a financial gain in profit or loss when the right to receive payment of the dividend is established, except when the Group benefits from these dividends as recovery of part of the cost of the financial asset, in which case the dividends are recorded in other comprehensive income. Equity instruments held as equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. At 31 December 2023, the Group does not have any financial assets classified in this category.

4. Financial assets at fair value through the consolidated income statement

Financial assets at fair value through the income statement are presented in the Consolidated statement of financial position at fair value with the net changes in

fair value presented in profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, financial assets that must be measured at fair value and/or equity instruments that the Group has not classified as a financial asset through other comprehensive income, at the time of initial recognition. Financial assets are classified as held for trading if they were acquired with the purpose of being sold or repurchased within a very short period of time. Derivatives, including separate embedded derivatives, are also classified as held for trading unless they have been designated as effective hedging instruments.

Financial assets with cash flows that do not correspond only to capital repayments and interest payments on outstanding capital are measured at fair value, regardless of the underlying business model. Notwithstanding the criteria for classifying debt instruments at amortised cost or fair value through other comprehensive income described above, debt instruments may be designated at fair value through profit or loss at the time of initial recognition if doing so eliminates, or reduces significantly, an inconsistency in measurement or recognition.

This category includes derivatives and, where applicable, investments in listed shares that the Group has not irrevocably decided to measure at fair value through other comprehensive income. If a hybrid contract includes a host contract that is not a financial asset, an embedded derivative must be separated from the host contract and accounted for as a derivative if, and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the underlying contract;
- A separate instrument with the same terms as the embedded derivative meets the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with the changes in fair value recognised in profit or loss. Reassessment of the classification is only possible when there is either a change in the contractual terms that significantly modify the cash flows or the reclassification of the financial asset so that it is no longer classified under the category fair value through profit or loss. A derivative embedded in a hybrid contract that includes a host contract that contains

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a financial asset is not accounted for separately. The financial asset of the host contract and the embedded derivative are classified jointly in their entirety as financial assets at fair value through profit or loss. The embedded derivatives are measured at fair value with changes recognised in profit or loss. Revaluation only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required, or a reclassification of a financial asset outside of fair value through profit or loss.

At 31 December 2023, the Group has “Financial holdings – Other methods” classified in this category.

De-recognition

A financial asset (or, where applicable, a portion of the financial asset or portion of a group of active financial assets) is de-recognised (i.e., removed from the Consolidated income statement) when:

- The contractual rights to receive cash flows resulting from the financial asset expire; or
- The Group has transferred its contractual rights to receive cash flows resulting from the financial asset or assumed an obligation to pay the cash flows received in full within a short term under an agreement in which the Group has no obligation to pay amounts to the final recipients unless it receives

equivalent amounts resulting from the original asset; it is prohibited by the terms of the transfer agreement from selling or pledging the original asset other than as collateral to the final recipients for the obligation to pay them cash flows; and the Group has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delay; and

- The Group has transferred substantially all the risks and rewards of the asset, or if it has not substantially transferred or retained such risks and benefits, but has transferred control over the asset.

When the Group transfers its rights to receive cash flows from an asset or is party to an agreement that may enable de-recognition, it assesses whether, and to what extent, the risks and benefits associated with ownership of the asset have been retained. When all risks and benefits arising from ownership of an asset have not been substantially transferred or retained, nor has control of the asset been transferred, the Group continues to recognise the transferred asset to the extent of its continued involvement. In this case, the corresponding liability is also recognised, and the transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations that the Group retained. Continued involvement that takes the form of a guarantee over

the transferred asset is measured by the lower of the original book value of the asset and the maximum value of the consideration that the Group could be required to reimburse.

Impairment of financial assets

The Group recognises a provision for expected credit losses (ECL) for all debt instruments not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows that are owed and all the cash flows that are expected to be received, discounted at a rate close to the original effective interest rate. The cash flows expected to be received include cash flows resulting from collateral held or other credit guarantees that form an integral part of the contractual terms.

The expected credit losses are recognised in two stages. For situations where there has not been a significant increase in credit risk since initial recognition, expected credit losses focus on losses that may be incurred from defaults that are likely to occur in the next 12 months. For situations where there has been a significant increase in credit risk since initial recognition, the impairment loss is calculated for all expected credit losses over the life of the asset, regardless of when the default occurs.

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For trade accounts receivable and accounts receivable relating to contracts with customers, a simplified approach should be adopted in determining the expected credit losses. Therefore, the Group does not monitor changes in credit risk, but instead recognises an impairment loss based on the expected credit loss over the life of the asset, at each reporting date. To this end, an impairment matrix is established, based on the non-compliance criteria of the risk management system and on credits that were lost in the past, adjusted by prospective factors specific to the debtors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Group applies the simplification for low credit risks. At each reporting date, the Group assesses whether the debt instrument can be considered as having low credit risk, using all relevant and reasonable information that is available at an acceptable cost/effort. To make this assessment, the credit rating of the debt instrument is taken into account.

The Group considers that a financial asset is in default when there is internal and external information that indicates that it is unlikely that it will receive the full amount of credit without having to activate the guarantees it holds.

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

A financial asset is de-recognised when there is no reasonable expectation of recovering contractual cash flows.

(7.2) Financial liabilities

Initial recognition and measurement

Financial liabilities classified, at the time of initial recognition, as financial liabilities at fair value through profit or loss, include loans, accounts payable or derivatives designated as a hedging instrument in an effective hedging relationship.

All financial liabilities are initially recognised at fair value and, in the case of loans and accounts payable, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their initial classification, as follows:

- Financial assets at fair value through profit and loss
- Financial liabilities at amortised cost (loans)

Financial assets at fair value through profit and loss

Financial liabilities at fair value through the income statement include financial liabilities held for trading and financial liabilities that, at the time of initial recognition, were so designated.

Financial liabilities are classified as held for trading if they were incurred for the purpose of being repurchased in the short term. This category includes derivatives that are not designated as hedging instruments in a hedging relationship, as provided for under IFRS 9. Separate embedded derivatives are also classified as held for trading unless they are considered effective hedging instruments. Gains and losses on liabilities held for trading are recorded in the income statement.

Financial liabilities that are classified, at the time of initial recognition, as financial liabilities at fair value are so designated at the time of initial recognition only if the criteria set out in IFRS 9 are met.

Financial liabilities at amortised cost (loans)

After initial recognition, loans are subsequently

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measured at amortised cost using the effective interest method. Gains and losses are recorded in the income statement when liabilities are de-recognised and through amortisation resulting from the effective interest method. The amortised cost is calculated taking into account any discount or premium on acquisition and fees and other costs that form an integral part of the effective interest rate. The effect of effective interest is recorded in financial expenses in the income statement. This category is generally applicable to bank loans, but also includes subsidies repayable at zero rates or below market value.

De-recognition

A financial liability is de-recognised when the underlying obligation is satisfied, cancelled or expires. When an existing financial liability is replaced by another from the same counterparty and with substantially different terms, or the terms of a financial liability are substantially modified, the exchange or modification is treated as a de-recognition of the original financial liability and the recognition of a new liability. The difference between the respective book values is recognised in the consolidated income statement.

(7.3) Netting off of financial instruments

Financial assets and financial liabilities are netted off and their respective net value is presented in the consolidated statement of financial position if there is a present mandatory right to offset the recognised amounts and if there is an intention to either settle on a net basis or realise the asset and simultaneously settle the liability.

(8) Income tax

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

(8.1) 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 tax liabilities are normally recognised for all taxable temporary differences, except in the following situations:

- When the deferred tax liability arises from the initial recognition of goodwill, or an asset or liability from a transaction that is not a combination of business activities and that, at the time of the transaction, does not affect either the accounting or tax profit or loss;
- In relation to temporary differences associated with investments in subsidiaries, associated enterprises and interests in jointly controlled entities, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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Deferred tax assets are recognised for all deductible temporary differences and for the future recognition of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the future recognition of tax losses can be used, except in the following situations:

- Where the deferred tax asset is related to a deductible temporary difference that arises from the recognition of an asset or liability from a transaction that is not a business combination and, at the time of the transaction, does not affect either the accounting or the tax profit or loss;
- In relation to temporary differences associated with investments in subsidiaries, associated enterprises and interests in jointly controlled entities, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and there is available taxable income, against which the temporary differences can be used.

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

in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

The value of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to permit the use of all or part of the deferred tax asset. Unrecognised deferred tax assets are revalued at each reporting date.

The deferred tax related to items recognised outside of profit or loss is recognised outside of profit or loss. Deferred taxes are recognised at each reporting date in correlation with the underlying transaction, in other comprehensive income or directly in equity. Tax benefits acquired as part of a business combination, but which do not meet the criteria for recognition on the date of the combination, are recognised later if new information regarding the facts and circumstances becomes available. The adjustment is treated as a reduction in goodwill (as long as it does not exceed the goodwill), if it was incurred during the goodwill measurement period, or recognised in profit or loss, if later.

The Group nets off deferred tax assets and liabilities if, and only if, it has a right to offset them and if the deferred tax liabilities refer to income taxes levied by the same tax authority on the same taxable entity, or

different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are settled or recovered. Provisions for ongoing tax contingencies are classified under deferred taxes. In the case of tax proceedings, these are increased annually by calculating interest and fines, as determined by law.

(8.2) 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.

Current income tax related to items recognised directly in equity is recognised under this caption and not in the income statement. The management periodically evaluates the positions taken in tax returns in relation to situations in which the applicable tax legislation leaves room for interpretation and establishes provisions when appropriate.

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The parent company and the subsidiaries in which at least 75% 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 a Surcharge up to a maximum rate of 9% on Taxable Income, resulting in a maximum aggregate rate of 30%.

Income tax on the other companies included in the consolidation is calculated at the rates in force in the respective countries where they have their headquarters:

	Country	Rate 2023	Rate 2022
Income Tax (ID)	Portugal	21.0%	21.0%
Surcharge	Portugal	1.5%	1.5%
State Surcharge	Portugal	3% - 9%	3% - 9%
Income Tax (ID)	Spain	25.0%	25.0%
Income Tax (ID)	Angola	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.

(9) Inventories

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

	Valuation	Costing Methods
Goods	Acquisition cost*	Average cost
Raw materials, subsidiary material and consumables	Acquisition cost*	Average cost
Intermediate and finished products	Cost of production	Average cost
Products and work in progress	Cost of production	Average cost

* Or Net Realisable Value, whichever is lower.

The cost of inventories includes:

- Purchase costs (purchase price, import duties, non-recoverable taxes, transport, handling and other costs directly attributable to the purchase, less commercial discounts, rebates and other similar items);
- Conversion costs (labour and general production expenses);
- Other costs incurred to place inventories in their intended location and condition.

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.

(10) - Cash and bank deposits

The amounts included under this caption correspond

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to cash and other deposits, maturing in less than three months, and which are immediately drawable with an insignificant risk of change in value.

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”.

(11) State or 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.

(12) Accruals

The remaining income and expenses are recorded in accordance with the principle of accrual accounting, under which these are recognised as they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the related income and expenses generated

are recorded under “Deferrals”, “Other receivables” and “Other payables”.

(13) Equity captions

(13.1) Legal reserves

In accordance with Article 295 of the Companies Code, at least 5% of income must be used to increase the legal reserve until such time as it represents at least 20% of the share capital.

This reserve cannot be distributed, except in the event of liquidation, and may only be used to absorb losses, after all the other reserves have been exhausted or to increase share capital (Article 296 of the Companies Code).

(13.2) Other reserves

This caption includes revaluation reserves established under the terms of the previous GAAP, 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).

(13.3) Unappropriated earnings

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

(13.4) 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

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variability, exchange risk, commodity price risk under a commitment or high probability of a future transaction, which, according to Article 32(2) of the Companies Code, 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.

(14) Investment grants

These are non-repayable grants related to property, plant and equipment and intangible assets. They are recorded in the consolidated statement of financial position as “Deferrals”, net of deferred taxes.

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.

(15) Emission rights

These deferrals, corresponding to the emission rights allocated and recognised under the terms referred to in subdivision 3.4 of this Note, are transferred to Sundry Income as the corresponding CO₂ emissions are made by the companies of the Group.

(16) 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.

This caption includes, among others, the following provisions:

- 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, the obligation for which is incurred when the assets are acquired or as a consequence of their having been used during a certain period for purposes other than production of inventories.

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

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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.

Provisions are reviewed at the date of each consolidated statement of financial position and adjusted to reflect best estimates at that date.

When there is a present obligation resulting from a past event, but which is not likely to result in an outflow of resources, or which cannot be estimated reliably, this situation is treated as a contingent liability, which is disclosed in the financial statements unless the possibility of outflow of resources is considered remote. Contingent assets are not recognised in the financial statements, but are disclosed where a future economic inflow is likely.

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

Staffing 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.

(17.1) Post-employment benefits

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

Company	Plan Name	Type	Beneficiaries	Location
Bondalti CHEMICALS	Retirement Pension Plan	Defined Benefit - Old age disability or survivor’s pension supplement	Some of the former and current staff members	Portugal
Bondalti CHEMICALS	Medical Procedures Plan	Defined Benefit - Medical Procedures with no fund established	Some of the former and current staff members	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 IAS 19 - 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.

(17.2) Holiday and holiday allowance

In accordance with the labour legislation in force, employees are entitled to holidays and holiday

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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”.

(18) 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 respective nominal value, under the caption Other payables.

(19) 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.

(20) Revenue from contracts with customers

Revenue from contracts with customers is recorded when control of goods and services is transferred to customers for an amount corresponding to the

consideration that the Group expects to receive in exchange for such goods or services. Revenue from the sale of products is recognised when control over the good is transferred to the customer, which generally happens when the product is delivered. Sales and provisions of services are measured at the fair value of the consideration received or receivable less the amounts relating to trade or volume discounts granted.

Revenue is measured at the fair value of the remuneration received or receivable for goods and services sold in line with the Group’s business types identified above, net of bonuses, discounts (e.g. commercial discounts and volume discounts) and taxes. Revenue is recognised at the amount of the performance obligation satisfied.

The Group’s contracts with customers do not include variable remuneration. If the remuneration provided for in a contract includes a variable component, the Group estimates the amount it considers it will be entitled to receive in exchange for the transfer of the goods to the customer. The variable component is estimated at the beginning of the contract and is restricted in case of uncertainty until it is highly probable that a significant reversal of the recognised revenue will not occur when the uncertainty associated with the variable remuneration component is finally dissipated.

The transfer of control occurs to the same extent that the associated risks and benefits are transferred, in accordance with the established contractual conditions. The transfer of control of goods occurs when the goods are delivered to the customer or to the extent that services are provided. The Group considers the facts and circumstances when analysing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonised way, in the case of contracts with similar characteristics and circumstances. Revenue related to the provision of services is recognised in accordance with IFRS 15, taking into account that the customer simultaneously receives and consumes the benefits generated by the Group.

When uncertainty arises regarding the collectability of an amount already included in revenue, the uncollectable 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.

(21) Operating subsidies

Non-repayable subsidies that are not related to assets are recognised under this caption, and only where there is reasonable assurance that the Group has complied/

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will comply with the conditions attached to them and that the subsidies will be received.

(22) Interest and similar expenses

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.

(23) 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.

(24) Fair value

The fair value of an asset and liability is the price that

would be agreed between parties who are free to contract and operate under market conditions. The Group applies IFRS 13 “Fair value measurement” to distinguish items between three levels of fair value:

- Level 1: for items with prices quoted in an active market;
- Level 2: for items with prices quoted in an active market for a similar instrument, or another valuation technique based on observable parameters;
- Level 3: for the item evaluation method that incorporates unobservable parameters.

(25) Classification as current and non-current

The Group presents assets and liabilities in its balance sheet as current or non-current. An asset is classified as current when:

- It is expected to be realised, sold or consumed in a normal operating cycle;
- It is held for trading;
- It is expected to be carried out within the twelve months following the reporting date;
- It is cash or cash equivalent, unless there are restrictions on its exchange or it is used to settle a liability at least twelve months after the reporting date.

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All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in a normal operating cycle;
- It is held for trading;
- It is expected to be settled within the twelve months following the reporting date;
- There is no unconditional right to postpone settlement beyond twelve months from the reporting date.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current.

(26) Translating financial statements in foreign currencies

The results and financial position of the entity whose functional currency is different from the euro were translated into the presentation currency, using the following procedures:

- a. Non-monetary items were translated using the exchange rate prevailing on the date of the transaction.

- b. Monetary items were translated at the closing rate on the balance sheet date;
- c. The income and expenses in each financial statement were translated at the exchange rates prevailing at the dates of the transactions; and
- d. All resulting exchange differences are recognised as a separate component of equity.

(27) 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.

Other events are described in Note 36.

2.2 – Basis for consolidation

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

An entity is classified as a subsidiary when it is controlled by the Group. Control is only achieved if the Group has, cumulatively:

- a. power over the investee company;
- b. exposure or rights to variable results through its relationship with the investee; and
- c. the ability to use its power over the investee company to affect the value of the results for investors.

Control is generally assumed to exist when the Group holds the majority of the voting rights. To support this presumption and in cases where the Group does not hold the majority of the investee company’s voting rights, all relevant facts and circumstances are taken into account in assessments of the existence of power and control, such as:

- Contractual agreements with other holders of voting rights;
- Rights arising from other contractual agreements; and
- Existing and potential voting rights.

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 existence of control by the Group is reassessed whenever there is a change in facts and circumstances

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that lead to a change in one of the three elements characterising control mentioned above.

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.

Therefore, the assets, liabilities, income and expenses of a subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group ceases to control the subsidiary.

A change in ownership interest in a subsidiary that does not involve a loss of control is accounted for as a transaction between shareholders. If the Group loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other components of equity are de-recognised and any gains and losses are recognised in the income statement. The investment maintained is recognised at fair value at the time of the loss of control.

In situations where the Group holds, in substance, control over other entities created for a specific

purpose, even though it has no direct equity investments in those entities, they are consolidated using the full consolidation method.

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 as the sum of the consideration transferred, which is measured at fair value on the acquisition date, and the value of the non-controlling interests in the acquiree. For each concentration of business activities, the Group chooses to measure the non-controlling interests in the acquiree at fair value or the proportional portion of the acquiree’s identifiable net assets. The costs of the acquisition are recognised as they are incurred and included in administrative expenses.

In a business combination achieved in stages, the acquirer must remeasure its equity interest previously held in the acquiree at its fair value at the date of acquisition and must recognise the resulting gain or loss, if applicable, in profit or loss or in other

comprehensive income, as appropriate. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If this is the case, the amount that was recognised in other comprehensive income must be recognised on the same basis as it would have been recognised if the acquirer had directly disposed of the previously held equity interest.

For each acquisition, the Group may choose to measure “non-controlling interests” at their respective fair value or at their respective share in the fair value of the assets and liabilities transferred from the acquiree. The choice of one method or another influences the determination of the amount of goodwill to be recognised. When the business combination is carried out in phases, the fair value on the previous acquisition date of the interests held is remeasured to the fair value on the date on which control is obtained, as a contra entry to the results of the period in which control is achieved, affecting the determination of goodwill.

Goodwill is initially measured at cost (being the excess of the aggregate consideration transferred and the value recognised for non-controlling interests and any previous interest held in identifiable net assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated

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impairment losses. To test for impairment, the goodwill must be allocated to each of the cash-generating units.

A cash-generating unit should represent the lowest level in the entity at which goodwill is monitored for internal management purposes. Under IAS 36, goodwill is not amortised but is tested for impairment at least once a year, and more frequently if there is an indication that it may be impaired due to a reduction in its recoverable amount. For impairment testing purposes, goodwill is allocated to cash-generating units (CGU). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or group of assets.

The annual impairment test for a cash-generating unit to which goodwill has been allocated can be carried out at any time during an annual period, provided that the test is carried out at the same time each year. Different cash-generating units may be tested for impairment at different times. However, if some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit must be tested for impairment before the end of the current annual period. Impairment losses relating to goodwill cannot be reversed in a subsequent period.

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. Unrealized losses are also eliminated unless the transaction provides evidence of the existence of impairment in the assets transferred and not yet sold.

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. At the date of each concentration of business activities, the amounts attributable to the minority interests are determined by applying the percentage interest held by them at the fair value of identifiable net assets and contingent liabilities acquired.

When losses attributable to shareholders of minority interests exceed their interest in the subsidiary's equity, the Group absorbs this excess and any additional losses, except where the 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.

2.3 – Key judgments and estimates used in the preparation of the Financial Statements

In preparing the consolidated financial statements in accordance with the IFRS, 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:

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(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 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 2.1. 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

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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 subdivision 7.1 of Note 2.1.

Receivables 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 occurrence of the costs;
- The discount rate used to discount expected cash outflows.

2.4 – Changes in accounting policies

1) Adoption of new, amended or revised standards and interpretations

As of the date of approval of these financial statements, the following accounting standards, interpretations, amendments and revisions, for mandatory application

to the year beginning 1 January 2023, were endorsed by the European Union:

- Amendments to IAS 1 – Disclosure of accounting policies

(effective in financial years beginning on or after 1 January 2023)

Change to accounting policy disclosure requirements based on the definition of “material”, to the detriment of “significant”. Information relating to an accounting policy is considered material if, in its absence, users of the financial statements do not have the ability to understand other financial information included in those same financial statements. Immaterial information relating to accounting policies does not need to be disclosed. The IFRS Practice Statement was also amended to clarify how the concept of “material” applies to the disclosure of accounting policies.

- Amendments to IAS 8 – Definition of accounting estimates

(effective in financial years beginning on or after 1 January 2023)

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Introduction of the definition of an accounting estimate and how it differs from changes in accounting policies. Accounting estimates are now defined as monetary values subject to measurement uncertainty, used to achieve the objective(s) of an accounting policy.

- IFRS 17 - Insurance Contracts - includes amendments to IFRS 17 insurance

(effective in financial years beginning on or after 1 January 2023)

This new standard replaces IFRS 4 and is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features in profit or loss if they are also issuers of insurance contracts. Under IFRS 17, entities issuing insurance contracts need to assess whether the policyholder can benefit from a certain service as part of a claim, or whether that service is independent of the claim/risk event, and separate the uninsured component.

According to IFRS 17, entities must identify portfolios of insurance contracts at initial recognition and divide them into, at a minimum, the following groups: i) contracts that are onerous at initial recognition; ii) contracts that do not present a significant possibility

of later becoming onerous; and iii) remaining contracts in the portfolio. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty related to the insurance contracts. IFRS 17 requires an entity to recognise income as it provides insurance services (and not when it receives premiums) and to provide information about the gains from the insurance contract that it expects to recognise in the future. IFRS 17 provides for three measurement methods for accounting for different types of insurance contracts: i) General measurement model; ii) Premium allocation approach; and iii) Variable fee approach. IFRS 17 is for retrospective application with some exemptions at the transition date.

- Amendments to IFRS 17 – Insurance contracts – Initial application of IFRS 17 and IFRS 9 – Comparative information

(effective in financial years beginning on or after 1 January 2023)

This change only applies to insurers in the transition to IFRS 17 and allows the adoption of an overlay in the classification of a financial asset for which the entity does not apply retrospectively, under the ambit of IFRS 9. This change aims to avoid temporary accounting

gaps between financial assets and insurance contract liabilities in the comparative information presented in the initial application of IFRS 17, providing for: (i) the application of financial asset to financial assets; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date to determine how the entity expects that financial asset to be classified in accordance with IFRS 9.

- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

(effective in financial years beginning on or after 1 January 2023)

IAS 12 now requires entities to recognise deferred tax on certain specific transactions, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The subject transactions refer to the registration of: i) right-of-use assets and lease liabilities; and ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when on the

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date of initial recognition they are not relevant for tax purposes. These temporary differences do not fall within the scope of the exemption from initial recognition of deferred taxes. This amendment is for retrospective application.

- Amendments to IAS 12 – Income taxes: International Tax Reform

(effective in financial years beginning on or after 1 January 2023)

IAS 12 now requires entities to recognise deferred tax on certain specific transactions, Pillar Two Model Rules that clarify the treatment to be given to income taxes arising from the application of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional application of the Pillar Two Model Rules; and disclosure requirements for affected entities to help users of financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which must be disclosed – may be applied. The remaining disclosure requirements apply to annual reporting

periods beginning on or after 1 January 2023, but not to any interim periods ending on or before 31 December 2023.

No material impacts are estimated on the Group’s consolidated financial statements resulting from the application of these standards and amendments.

2) Standards, interpretations, amendments and revisions that will come into effect in future periods

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, were, until the date of approval of these financial statements, endorsed by the European Union:

- Amendments to IFRS 16: Responsibility for the Lease in a Sale and Leaseback

(effective in financial years beginning on or after 1 January 2024)

The IASB has issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses to measure the lease liability arising from a sale and leaseback transaction, to ensure that the seller-lessee does not recognise any amount of gain or loss related to the

right of use that it retains. The changes are effective for annual reporting periods beginning on or after 1 January 2024, and are intended to be applied retroactively to sale and leaseback transactions entered into after the initial date of application of IFRS 16. Early application is permitted and this fact must be disclosed.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

(effective in financial years beginning on or after 1 January 2024)

Changes were made to IAS 1 in order to specify the requirements necessary to classify liabilities as current or non-current. The changes clarify:

- What is meant by the right to defer settlement;
- That the right to deferral must exist at the end of the reporting period;
- The classification is not affected by the probability of an entity exercising its right to deferral;
- Only if a derivative embedded in a convertible liability is itself an equity instrument will the terms of a liability not affect its classification;

Furthermore, a requirement has been introduced to require disclosure when a liability arising under a loan

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agreement is classified as non-current and the entity’s right to postpone settlement depends on compliance with future agreements within twelve months. The changes take effect for annual reference periods starting on or after 1 January 2024 and should be applied retroactively.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2023, as their application is not yet mandatory. It is not estimated that the future adoption of the aforementioned amendments will have a significant impact on the financial statements.

Up to the date of approval of these financial statements, the following standards, interpretations, amendments and revisions, with mandatory application in the financial year and in future financial years, had not been endorsed by the European Union:

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

(effective in financial years beginning on or after 1 January 2024)

The IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements resulting from the changes are intended to help the users of financial statements understand the effects of supplier finance arrangements on an entity’s liabilities, cash flows and liquidity risk exposure. The changes will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but must be disclosed.

- Amendments to IAS 21 – Effect of changes in exchange rates

(effective in financial years beginning on or after 1 January 2025)

The changes clarify how an entity should assess whether a currency is exchangeable and how the exchange rate should be determined when there is a lack of exchangeability, as well as requiring the disclosure of information that allows users of the financial statements to understand the impacts of a non-exchangeable currency. The expected changes do not specify how an entity estimates the exchange rate, but indicate that an entity may use an unadjusted exchange rate or other estimation technique.

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Group in the twelve-month period ending 31 December 2023. No significant impacts on the financial statements resulting from its adoption are estimated.

3. First-time adoption of the IFRS

The financial statements for the year ended 31 December 2023 are the first prepared by the Group in accordance with the IFRS. For the period up to and including the financial year ended 31 December 2022, the Group prepared its financial statements in accordance with the accounting principles laid down in the Accounting and Financial Reporting Standards (NCRF), which form an integral part of the SNC.

Consequently, the Group has prepared financial statements that comply with the applicable IFRS as of 31 December 2023, together with comparative period data for the year ended 31 December 2022, as described in the summary of significant accounting policies. In preparing the financial statements, the Group’s opening statement of financial position was prepared on 1 January 2022, the date of the Group’s transition to the IFRS. This note explains the main adjustments made by the Group in the restatement of

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its financial statements under the SNC, including the statement of financial position as of 1 January 2022 and the financial statements for the year ended 31 December 2022.

IFRS 1 requires an entity to use the same accounting policies in its first opening statement of financial position in accordance with the IFRS and in subsequent periods. Such accounting policies must comply with each IFRS in effect at the end of its first reporting period under the IFRS, except as specified in IFRS 1 (e.g., when IFRS 1 exceptions prohibit retrospective application or when an entity benefits from one of the voluntary exceptions to IFRS 1). An entity should not apply different versions of the IFRS that have been in effect at previous dates. An entity may apply a new IFRS that is not yet mandatory if that IFRS allows for application prior to the date of its entry into force.

Exceptions to retrospective application

IFRS 1 allows certain exceptions to apply to the retrospective application of the IFRS when a Group first adopts the IFRS. The Group applied the following exceptions:

- Leases

On the transition date, with regard to the implementation of IFRS 16, the Group applied the following options to all its leases (subject to the practical expedients described in the option):

- a. It measured a lease liability at the date of transition to the IFRS. The Group measured this lease liability at the present value of the remaining lease payments, discounted according to the lessee's incremental borrowing rate at the date of transition to the IFRS.
- b. It measured a right-of-use asset at the date of transition to the IFRS. The Group, on a lease-by-lease basis, measured this right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prior or accrued lease payments relating to that lease, recognised in the statement of financial position immediately prior to the date of transition to the IFRS.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

Reconciliation of the Consolidated Statement of Financial Position at 01.01.2022:

CAPTIONS	Notes	SNC	Translation adjustments IFRS	IFRS
		01/01/2022		01/01/2022
Assets				
Non-Current Assets				
Property, Plant and Equipment	6	129 673 725		129 673 725
Right-of-use assets	7.1	-	21 319 491	21 319 491
Investment Properties	8	19 228 188		19 228 188
Goodwill	11.1	4 298 347	2 321	4 300 668
Intangible Assets	9.1	4 744 677		4 744 677
Financial Holdings - Equity Method	10.1	1 023 517		1 023 517
Financial Holdings - Other Methods	10.2	71 006		71 006
Other Financial Assets	15.1	62 472 073		62 472 073
Deferred Tax Assets	31	7 114 742		7 114 742
		228 626 276	21 321 812	249 948 087
Current Assets				
Inventories	12.1	28 167 653	(637 963)	27 529 690
Trade debtors	15.2	68 984 069		68 984 069
Other Receivables	15.2	4 202 026		4 202 026
Deferrals	14.1	2 406 500		2 406 500
Financial Assets Held for Trading		1 507		1 507
Cash and Bank Deposits	4	22 945 588		22 945 588
		126 707 343	(637 963)	126 069 380
Total Assets		355 333 619	20 683 849	376 017 468

CAPTIONS	Notes	SNC	Translation adjustments IFRS	IFRS
		01/01/2022		01/01/2022
Equity, Non-controlling interests and Liabilities				
Equity				
Subscribed Capital	18.1	20 422 000		20 422 000
Legal Reserves	18.2	4 084 400		4 084 400
Other Reserves	18.2	11 265 027		11 265 027
Unappropriated Earnings	18.2	48 359 648	2 321	48 361 969
Adjustments and Other Changes in Equity	18.3	8 129 749	(5 209 695)	2 920 054
Net Earnings for the Period		19 104 459	19 413	19 123 872
		111 365 282	(5 187 961)	106 177 321
Non-controlling interests	18.4	1 981 582		1 981 582
Total Equity		113 346 865	(5 187 961)	108 158 903
Liabilities				
Non-Current Liabilities				
Provisions	16	5 799 421		5 799 421
Borrowings	15.5	102 650 049		102 650 049
Lease liabilities	7.2	-	18 898 952	18 898 952
Liabilities for Post-Employment Benefits	17.1	2 645 769		2 645 769
Deferred tax liabilities	31	3 943 816	(826 646)	3 117 170
Other Payables	15.4	3 477 264		3 477 264
		118 516 319	18 072 306	136 588 625
Current Liabilities				
Trade creditors	15.3	67 540 947		67 540 947
Lease liabilities	7.2	-	2 420 539	2 420 539
Advances from Customers	15	4 789 508	(478 249)	4 311 259
State and Other Public Bodies	13	3 456 629		3 456 629
Borrowings	15.5	31 873 689		31 873 689
Other Payables	15.4	14 905 700	(871 737)	14 033 963
Deferrals	14.2	903 963	6 728 951	7 632 915
		123 470 436	7 799 504	131 269 940
Total Liabilities		241 986 754	25 871 810	267 858 565
Total Equity, Non-controlling interests and Liabilities		355 333 619	20 683 849	376 017 468

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

Reconciliation of the Consolidated Statement of Financial Position at 31.12.2022:

CAPTIONS	Notes	SNC	Translation adjustments IFRS	IFRS
		31/12/2022		31/12/2022
Assets				
Non-Current Assets				
Property, Plant and Equipment	6	124 495 370		124 495 370
Right-of-use assets	7.1	-	19 346 358	19 346 358
Investment Properties	8	14 963 006		14 963 006
Goodwill	11.1	3 892 618	459 368	4 351 986
Intangible Assets	9.1	7 001 499		7 001 499
Financial Holdings - Equity Method	10.1	816 182		816 182
Financial Holdings - Other Methods	10.2	243 750		243 750
Other Financial Assets	15.1	61 950 858		61 950 858
Deferred Tax Assets	31	7 210 196		7 210 196
		220 573 479	19 805 727	240 379 206
Current assets				
Inventories	12.1	42 039 757	(1 639 248)	40 400 508
Trade debtors	15.2	72 780 050		72 780 050
State and Other Public Bodies	13	887 929		887 929
Other Receivables	15.2	3 675 465		3 675 465
Deferrals	14.1	1 790 245	(145 497)	1 644 747
Cash and Bank Deposits	4	35 626 885		35 626 885
		156 800 330	(1 784 745)	155 015 584
Total Assets		377 373 808	18 020 982	395 394 790

CAPTIONS	Notes	SNC		IFRS
		31/12/2022	Translation adjustments IFRS	31/12/2022
Equity, Non-controlling interests and Liabilities				
Equity				
Subscribed Capital	18.1	20 422 000		20 422 000
Legal Reserves	18.2	4 084 400		4 084 400
Other Reserves	18.2	11 265 027		11 265 027
Unappropriated Earnings	18.2	64 714 107	21 733	64 735 840
Adjustments and Other Changes in Equity	18.3	7 900 074	(5 978 382)	1 921 692
Net Earnings for the Period		51 822 711	32 791	51 855 503
		160 208 319	(5 923 858)	154 284 461
Non-controlling interests	18.4	(294 958)		(294 958)
Total Equity		159 913 362	(5 923 858)	153 989 504
Liabilities				
Non-Current Liabilities				
Provisions	16	6 290 614		6 290 614
Borrowings	15.5	78 375 117		78 375 117
Lease liabilities	7.2	-	17 025 947	17 025 947
Liabilities for Post-Employment Benefits	17.1	2 122 023		2 122 023
Deferred tax liabilities	31	3 518 776	(1 054 403)	2 464 373
Other Payables	15.4	2 699 568		2 699 568
		93 006 097	15 971 544	108 977 641
Current Liabilities				
Trade creditors	15.3	63 248 483		63 248 483
Lease liabilities	7.2	-	2 594 489	2 594 489
Advances from Customers	15	4 431 664	(1 518 004)	2 913 659
State and Other Public Bodies	13	4 590 518		4 590 518
Borrowings	15.5	25 935 870		25 935 870
Other Payables	15.4	25 701 780	(678 273)	25 023 507
Deferrals	14.2	546 035	7 575 084	8 121 119
		124 454 350	7 973 295	132 427 645
Total Liabilities		217 460 447	23 944 840	241 405 286
Total Equity, Non-controlling interests and Liabilities		377 373 808	18 020 982	395 394 790

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

Reconciliation of the Consolidated Income Statement at 31.12.2022:

INCOME AND EXPENSES	Notes	SNC	Translation adjustments IFRS	IFRS
		31/12/2022		31/12/2022
Sales and Services	20	595 072 827	996 603	596 069 430
Revenue Grants	19	401 486		401 486
Gains/Losses of Subsidiaries, Assoc. Enter. and Joint Ventures	21	733 637		733 637
Changes in Production Inventories	12.2	5 786 910	(332 794)	5 454 116
Own Work Capitalised	22	315 042		315 042
Cost of Goods Sold and Materials Consumed	12.3	(356 768 979)	(668 491)	(357 437 470)
External Charges for Services	23	(114 739 267)	2 789 445	(111 949 822)
Staffing Costs	17.4	(35 851 194)		(35 851 194)
Impairment of Receivables (Losses/Reversals)	15.2	74 134		74 134
Provisions (Increases/Decreases)	16	(536 194)		(536 194)
Fair Value Increases/Decreases	27	(38 600)		(38 600)
Other Income	24	13 107 727		13 107 727
Other Expenses	25	(4 994 304)		(4 994 304)
Earnings Before Interest, Taxes, Depreciation and Amortisation		102 563 224	2 784 763	105 347 987
Depreciation and Amortisation Expenses/Reversals	28	(22 457 313)	457 048	(22 000 265)
Depreciation and Amortisation Expenses/Reversals - Leases	28		(2 773 818)	(2 773 818)
Earnings Before Interest and Taxes		80 105 911	467 993	80 573 904
Interest and Similar Income Earned	29	1 706 492		1 706 492
Interest and Similar Expenses Incurred	30	(14 127 660)		(14 127 660)
Financial expenses - Leases	30		(435 202)	(435 202)
Earnings before tax		67 684 743	32 791	67 717 534
Income Taxes for the Period	31	(15 830 169)		(15 830 169)
Net Income for the Period		51 854 574	32 791	51 887 366
Net Earnings for the Period attributable to:				
- Parent Company Shareholders		51 822 711	32 791	51 855 503
- Non-controlling interests	18.5	31 863		31 863
		51 854 574	32 791	51 887 366

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

NOTES TO THE RECONCILIATION OF THE
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AND THE CONSOLIDATED INCOME
STATEMENT FOR THE YEAR

A. Rights of Use

The adoption of the IFRS implies the recognition of leases that meet the requirements established by IFRS 16. In this context, the Group recognised an asset under right of use and a lease liability in the amount of 21.319 million euros on the date of transition to the IFRS. This transition adjustment also impacts the recognition of amortisation and interest and deduction of rents/leases relating to the subsequent treatment of balance sheet items.

B. Goodwill

According to the SNC, goodwill must be amortised over a maximum period of 10 years. According to the IFRS, goodwill is not amortisable and must first be tested periodically for signs of impairment. On the transition date, the Group reversed the amortisations related to goodwill and did not identify impairment in its measurement.

C. Investment grants and other free State subsidies

According to the SNC, investment grants and other free State subsidies are recognised as an increase

in Equity and are recognised in profit or loss as the expenditure related to the assets that the grant was intended to finance occurs. Under the IFRS, grants and other free subsidies from the State are recognised as a deferral, and are recognised in profit or loss as the expenditure related to the assets that the grant was intended to finance occurs, or are deducted from the value of the corresponding asset. With the transition to the IFRS, the Group reclassified investment subsidies and CO₂ emission rights and their effect on Deferred Tax Liabilities from Equity to Deferrals, the latter due to the lack of equity variations under the new method.

D. Revenue from contracts with customers

IFRS 15 establishes the principles to be applied in recognising revenue and costs associated with contracts with customers, based on a five-step model, which will allow revenue to be allocated to performance obligations. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted IFRS 15 in accordance with the modified retrospective approach, according to which the impacts of the initial application of IFRS 15 were recognised on the date of initial application, i.e., 1 January 2018, and the values for the comparative period presented were not restated.

Under the SNC, revenue from the provision of construction and equipment development services was recognised upon delivery of the work or equipment to the customer. With the implementation of IFRS 15, the Group begins to recognise revenue from these items over time based on the percentage-of-completion method, taking into account the evolution of projected costs for the project.

4. Cash Flows

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

	31/12/2023	31/12/2022
Cash	27 664	30 336
Demand Deposits	42 023 658	35 590 967
Other Cash at Bank	18 589 020	5 582
	60 640 341	35 626 885

A term deposit was made in the amount of 12.6 million euros, at Bondalti H2, due to temporary cash surpluses and another, at Bondalti Chemicals, worth 5.9 million euros, also for the same reason.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

5. Related Parties

5.1 — Group Entities

The Group is 100% directly owned by the entity José de Mello Capital SA, where it presents its consolidated Financial Statements.

The subsidiaries included in the consolidation, their registered offices and proportion of capital held as of 31 December 2023 and 2022 are as follows:

These subsidiary companies were included in the consolidation using the full consolidation method, using the criteria indicated in Note 3.

GROUP	Location	% Interest	Effective Control 2023	Effective Control 2022
Bondalti Capital ("B. Capital")	Lisbon	Parent company	Parent company	Parent company
Bondalti Chemicals, SA ("B. Chemicals")	Estarreja	100%	100%	100%
Renoeste - Valorização de Recursos Naturais, SA ("Renoeste")	Pombal	-	100%	100%
Elnosa - Electroquímica del Noroeste, SA ("Elnosa")	Pontevedra	-	100%	100%
Nutriquim - Produtos Químicos, SA ("Nutriquim")	Barreiro	-	100%	100%
Bondalti Cantabria, SA ("B. Cantabria")	Torrelavega	-	100%	100%
Miralcalis - Activos de Produção de Cloro, SA ("Miralcalis")	Porto Salvo	-	100%	100%
Bondalti H2, SA ("Bondalti H2")	Estarreja	-	100%	-
Innovnano - Materiais Avançados, SA ("Innovnano")	Coimbra	100%	100%	100%
Dolopand - Investimentos Imobiliários e Turísticos, SA ("Dolopand")	Porto Salvo	100%	100%	100%
Bondalti Water Solutions, SA	Porto Salvo	100%	100%	100%
Enkrott - Gestão e Tratamento de Águas, SA ("ENKROTT SA")	Sintra	-	100%	100%
Enkrott Madeira - Gestão e Tratamento de Águas, Lda ("ENKROTT Madeira")	Funchal	-	100%	100%
Enkrott África - Gestão e Tratamento de Águas, Lda ("ENKROTT Africa")	Luanda	-	80%	80%
Enkrott España, SLU ("ENKROTT Spain")	Barcelona	-	100%	100%
Grupo Aguas Alfaro, SL ("AGUAS ALFARO")	Alfaro	-	100%	100%
Agua, Energia y Medioambiente, Servicios Integrales, SLU ("AEMA")	Alfaro	-	100%	100%
Laboratorios Alfaro, SLU ("LABORATORIO ALFARO")	Alfaro	-	100%	100%
Aguas Rioja Medioambiente, SLU ("AGUAS RIOJA")	Alfaro	-	100%	100%
Agua, Gestion y Tratamientos, Servicios Integrales, SL ("AGESMA")	Alfaro	-	100%	100%

In September 2023, two companies were incorporated, Bondalti H2, SA and Lifthium Energy, SA. In December, 85% of Lifthium Energy’s shares were sold to the parent company, José de Mello Capital, SA.

On 19 May 2021, Bondalti Chemicals entered into a framework agreement for the sale of assets, transfer of the concession, sale of properties and transfer of workers from its wholly owned subsidiary, Renoeste.

In 2023, it was agreed with the buyer to change the contract, which now focuses on the total sale of Renoeste shares.

As of 31 December 2023, Renoeste was classified as a divestiture group held for sale and as a discontinued operation. However, in consolidated terms it continues to be fully considered, as we maintain control of it.

The share purchase and sale contract was signed after the end of the year, on 10 January 2024.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

Renoeste’s results for the year are presented below:

	2023
External Charges for Services	(108 572)
Staffing costs	(65 419)
Other income	56 630
Other expenses	(3 313)
Depreciation and Amortisation Expenses/Reversals	(96)
Income tax for the period	31 645
Net earnings related to assets held for sale	(89 125)

Renoeste’s main classes of assets and liabilities, classified as held for sale as of 31 December are as follows:

	2023
Assets	
Property, plant and equipment	715 993
Deferred tax assets	324 298
Trade debtors	13
State and other public bodies	109 679
Other receivables	86 686
Deferrals	1 736
Cash and Bank Deposits	75 343
Liabilities	
Provisions	55 964
Trade creditors	13 115
State and other public bodies	2 689
Other payables	7 725
Net earnings related to assets held for sale	1 234 255

The associated enterprises included in the consolidation, by means of the equity method, their registered offices and proportion of capital held as of 31 December 2023 and 2022 are as follows:

ASSOCIATED ENTERPRISES	Location	Effective Control 2023	Effective Control 2022
AQP - Aliada Quimica Portugal, Lda ("AQP")	Estarreja	49.9%	49.9%
Enkrott Quimica Cape Verde	Cidade da Praia	50%	50%

The Enkrott Química company in Cape Verde has been practically without activity in recent years.

The Bondalti Group’s Other Holdings:

OTHER HOLDINGS	Location	% Interest
Hytlantic, SA	Sines	13.50%
Ynvisible Interactive Inc.	Canada	1.79%
Lifthium Energy, SA	Porto Salvo	15%

5.2 — Transactions and balances between related parties

The Group’s subsidiaries have relationships with each other that qualify as related party transactions, which were carried out at market prices. Under consolidation procedures, transactions between companies included in the consolidation using the full consolidation method are eliminated, since the consolidated financial

statements present information about the holder and its subsidiaries as if they were a single company, and are therefore not disclosed in this note.

The nature of the relationship with related parties is as follows:

RELATED PARTY	Nature of the Relationship (Services provided / Transactions carried out)	Nature of the Relationship (Services received / Transactions received)
José de Mello Capital, SA	Bond issue/Loan	
ATM - Assistência Total em Manutenção, SA	Computing services	Equipment Maintenance
EFACEC Energia, Maquinas e Equipamentos, SA		Transformer sales
EFACEC Engenharia e Sistemas SA		Engineering serv.
GUIMARÃES DE MELLO, LDA		Consultancy services
CUF TEJO, SA		Medical Procedures
M DADOS - Sistema de Informação, SA		Office supplies and fixed asset sales
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA		Occupational Health Services
Ravasqueira Vinhos, SA		Internal Events

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

As of 31 December 2023 and 2022, the following transactions with related parties were as follows:

COMPANY	2023	
	Sales / Provisions of Services	Purchases Goods / Services
José de Mello Capital, SA	-	408
EFACEC Energia, Maquinas e Equipamentos, SA	-	12 874
EFACEC Engenharia e Sistemas SA	-	16 125
GUIMARÃES DE MELLO, LDA	-	970 725
CUF TEJO, SA	-	15 961
M DADOS - Sistema de Informação, SA	-	231 345
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	11 085
Ravasqueira Vinhos, SA	-	19 777
	-	1 278 301

COMPANY	2022	
	Sales / Provisions of Services	Purchases Goods / Services
José de Mello Capital, SA	-	10 885
ATM - Assistência Total em Manutenção, SA	224 402	255 324
EFACEC Energia, Maquinas e Equipamentos, SA	-	110 479
EFACEC Engenharia e Sistemas SA	-	33 770
GUIMARÃES DE MELLO, LDA	-	952 020
CUF-ISU HOSPITAL	-	9 054
M DADOS - Sistema de Informação, SA	-	199 439
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	11 087
Ravasqueira Vinhos, SA	-	8 407
	224 402	1 590 464

As of 31 December 2023 and 2022, balances with related parties were as follows:

COMPANY	31/12/2023				
	ASSETS			LIABILITIES	
	Trade Debtors	Other Receivables	Loan	Trade Creditors	Other Payables
José de Mello Capital, SA	-	-	61 180 000	502	10 612 195
EFACEC Energia, Maquinas e Equipamentos, SA	-	-	-	15 835	-
GUIMARÃES DE MELLO, LDA	-	-	-	202 833	-
CUF TEJO, SA	-	-	-	1 122	-
M DADOS - Sistema de Informação, SA	3 729	-	-	11 783	-
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	-	-	1 554	-
Ravasqueira Vinhos, SA	-	-	-	14 751	-
	3 729	-	61 180 000	248 380	10 612 195

COMPANY	31/12/2022				
	ASSETS			LIABILITIES	
	Trade Debtors	Other Receivables	Loan	Trade Creditors	Other Payables
José de Mello Capital, SA	1 168	-	61 180 000	473	13 693 885
ATM - Assistência Total em Manutenção, SA	22 731	-	-	-	-
EFACEC Energia, Maquinas e Equipamentos, SA	-	-	-	4 182	-
GUIMARÃES DE MELLO, LDA	-	-	-	202 833	-
CUF TEJO, SA	-	1 729	-	-	-
M DADOS - Sistema de Informação, SA	3 729	-	-	22 186	-
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	-	-	1 160	-
Ravasqueira Vinhos, SA	-	-	-	165	-
	27 627	1 729	61 180 000	231 000	13 693 885

The balance of Other debts payable with José de Mello Capital refers to the tax calculated under the RETGS.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

6. 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, amortisation, 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 Fixed Assets	Subtotal	Investments in progress	Total Tangible Assets
Cost:									
1 January 2022	3 038 701	50 967 009	359 433 647	4 522 512	5 177 495	2 813 707	425 953 071	5 129 558	431 082 628
Increases	14 738	285 998	10 822 633	77 824	476 012	79 712	11 756 918	4 724 583	16 481 501
Other reclassifications	(338 636)	(2 438 944)	(199 112)	(925 209)	(282 006)	(272)	(4 184 180)	-	(4 184 180)
Transfers	-	32 802	825 751	59 094	116 099	21 350	1 055 096	(1 055 096)	-
Disposals	(7 981)	-	(3 387)	(219 371)	(19 415)	(265)	(250 420)	-	(250 420)
Write-offs	(881)	-	-	-	(750)	-	(1 631)	-	(1 631)
31 December 2022	2 705 941	48 846 865	370 879 532	3 514 849	5 467 435	2 914 232	434 328 854	8 799 045	443 127 898
Increases	71 620	569 423	6 445 993	173 420	476 418	523 803	8 260 676	22 543 692	30 804 369
Currency Conversion	(44 438)	(339 777)	(44 856)	(245 862)	(72 132)	(35)	(747 100)	-	(747 100)
Transfers	-	6 690	4 480 501	-	213 197	5 736	4 706 124	(4 706 124)	-
Disposals	(2 993)	(66 190)	(93 154)	-	(16 450)	(462)	(179 249)	-	(179 249)
Write-offs	(1 468)	(1 506 001)	-	-	-	-	(1 507 469)	-	(1 507 469)
31 December 2023	2 728 661	47 511 010	381 668 016	3 442 408	6 068 468	3 443 274	444 861 837	26 636 613	471 498 450

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Fixed Assets	Subtotal	Investments in progress	Total Tangible Assets
Depreciation and Impairment:									
1 January 2022	219 308	31 764 334	259 256 890	3 525 558	4 354 573	2 288 241	301 408 903	-	301 408 903
Depreciation (Note 28)	-	983 656	18 026 446	285 007	255 508	182 986	19 733 603	-	19 733 603
Other Reclassifications	-	(1 093 900)	(160 773)	(996 547)	(204 849)	(1 623)	(2 457 691)	-	(2 457 691)
Disposals	-	-	(3 387)	(31 424)	(16 460)	(265)	(51 536)	-	(51 536)
Write-offs	-	-	-	-	(750)	-	(750)	-	(750)
31 December 2022	219 308	31 654 089	277 119 176	2 782 593	4 388 022	2 469 339	318 632 528	-	318 632 528
Depreciation (Note 28)	-	949 244	19 205 623	197 858	359 880	190 607	20 903 211	-	20 903 211
Revaluations	(3 509)	-	-	-	-	-	(3 509)	-	(3 509)
Currency Conversion	-	(199 068)	(35 969)	(296 232)	(67 630)	(35)	(598 933)	-	(598 933)
Disposals	-	(66 190)	(93 154)	-	(16 450)	(462)	(176 256)	-	(176 256)
Write-offs	-	(1 491 722)	-	-	-	-	(1 491 722)	-	(1 491 722)
Impairment	-	79 294	-	-	-	-	79 294	-	79 294
31 December 2023	215 799	30 925 647	296 195 676	2 684 219	4 663 822	2 659 449	337 344 612	-	337 344 612
Net book value:									
At 31 December 2023	2 512 862	16 585 363	85 472 340	758 189	1 404 646	783 824	107 517 224	26 636 613	134 153 838
At 31 December 2022	2 486 632	17 192 775	93 760 356	732 256	1 079 413	444 893	115 696 326	8 799 045	124 495 370
At 1 January 2022	2 819 393	19 202 675	100 176 758	996 954	822 923	525 466	124 544 168	5 129 558	129 673 725

As shown in the table above, depreciation for the period amounted to 20.903 million euros (2022: 19.734 million euros) and accumulated depreciation and impairment at the end of the period amounted to 337.345 million euros (2022: 318.633 million euros).

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(Amounts stated in euros)

7. Right of use

7.1 — Right-of-use assets

During the years ended 31 December 2023 and 2022, the movement in the value of right-of-use assets, as well as in the respective amortisation, was as follows:

	Land and natural resources	Buildings and other structures	Transport Equipment	Right-of-Use Assets Total
Cost:				
1 January 2022	1 910 147	18 628 178	781 167	21 319 491
Increases	-	405 383	395 302	800 685
31 December 2022	1 910 147	19 033 561	1 176 468	22 120 176
Increases	114 616	2 917 527	841 486	3 873 629
31 December 2023	2 024 763	21 951 088	2 017 955	25 993 806
Depreciation and Impairment:				
1 January 2022	-	-	-	-
Depreciation (Note 28)	44 220	2 316 799	412 799	2 773 818
31 December 2022	44 220	2 316 799	412 799	2 773 818
Depreciation (Note 28)	46 772	2 667 844	511 650	3 226 266
31 December 2023	90 992	4 984 643	924 449	6 000 084
Net book value:				
At 31 December 2023	1 933 771	16 966 445	1 093 506	19 993 721
At 31 December 2022	1 865 927	16 716 762	763 670	19 346 358
At 1 January 2022	1 910 147	18 628 178	781 167	21 319 491

As shown in the table above, amortisation for the period amounted to 3.226 million euros (2022: 2.774 million euros) and accumulated depreciation and impairment at the end of the period amounted to 6 million euros (2022: 2.774 million euros).

7.2 — Lease liabilities

During the years ended 31 December 2023 and 2023, the movement in the value of lease liabilities was as follows:

	31/12/2023	31/12/2022
Opening balance	19 620 436	21 319 491
Increases	2 027 685	661 460
Write-offs and decreases	1 106 945	139 225
Accrued interest	478 414	435 202
Payments	(3 528 810)	(2 934 942)
Other effects	739 000	-
Closing balance	20 443 669	19 620 436
Current	3 062 956	2 594 489
Non-current	17 380 713	17 025 947

Additionally, the following amounts of expenses relating to right-of-use assets were recognised in 2023 and 2022:

	31/12/2023	31/12/2022
Depreciation of right-of-use assets (Note 28)	3 226 266	2 773 818
Interest expenses related to lease liabilities (Note 30)	478 414	435 202
Total amount recognised in the income statement	3 704 680	3 209 019

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The repayment period for lease liabilities is as follows:

31/12/2023						
	2024	2025	2026	2027	>2027	Total
Lease liabilities	3 062 956	3 014 920	2 994 417	2 705 250	8 666 127	20 443 669

31/12/2022						
	2023	2024	2025	2026	>2026	Total
Lease liabilities	2 595 365	2 444 764	2 375 433	2 333 301	9 872 448	19 621 312

8. 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 2) of Note 2.1., 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, amortisation, impairment losses and their reversals and other changes are detailed in the following table:

	Land and natural resources	Buildings and other structures	Total Investment Properties
Cost:			
1 January 2022	18 441 590	2 877 090	21 318 680
Revaluations	66 443	565 847	632 290
Disposals	(4 796 637)	(1 017 497)	(5 814 134)
Write-offs	(49 486)	(3 879)	(53 366)
31 December 2022	13 661 910	2 421 560	16 083 470
Increases	11 340	-	11 340
Disposals	(1 958 378)	(565 847)	(2 524 225)
31 December 2023	11 714 872	1 855 714	13 570 585

	Land and natural resources	Buildings and other structures	Total Investment Properties
Depreciation and Impairment:			
1 January 2022	-	2 090 492	2 090 492
Depreciation (Note 28)	-	48 009	48 009
Disposals	-	(1 014 158)	(1 014 158)
Write-offs	-	(3 879)	(3 879)
31 December 2022	-	1 120 464	1 120 464
Depreciation (Note 28)	-	48 001	48 001
Write-offs	-	3 044	3 044
31 December 2023	-	1 171 508	1 171 508
Net book value:			
At 31 December 2023	11 714 872	684 205	12 399 077
At 31 December 2022	13 661 910	1 301 097	14 963 006
At 1 January 2022	18 441 590	786 598	19 228 188

As shown in the Table above, depreciation for the period amounted to 48 thousand euros (2022: 48 thousand euros) and accumulated depreciation at the end of the period amounted to 1.172 million euros (2022: 1.12 million euros).

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(Amounts stated in euros)

9. 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	Other	Investments in progress	Total Intangible Assets
Cost:							
1 January 2022	3 269 972	2 060 725	195 842	5 400 179	47 985	-	10 974 703
Emission rights allocated	-	-	-	4 043 034	-	-	4 043 034
Acquisitions	-	100 260	-	-	-	218 469	318 728
Uses of emission rights	-	-	-	(2 268 545)	-	-	(2 268 545)
Change in Fair Value	-	-	-	247 347	-	-	247 347
Transfers	-	-	-	(688 019)	-	-	(688 019)
Write-offs	(118 004)	(40 518)	(61 864)	-	-	-	(220 386)
31 December 2022	3 151 967	2 120 467	133 978	6 733 995	47 985	218 469	12 406 862
Emission rights allocated	-	-	-	4 031 137	-	-	4 031 137
Acquisitions	45 963	198 013	-	-	-	610 693	854 669
Uses of emission rights	-	-	-	(2 056 603)	-	-	(2 056 603)
Change in Fair Value	-	-	-	1 785 883	-	-	1 785 883
Write-offs	(829 230)	(9 675)	(13 486)	-	-	-	(852 390)
31 December 2023	2 368 701	2 308 805	120 493	10 494 413	47 985	829 162	16 169 558

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

(Amounts stated in euros)	Development Projects	Computer Programs	Industrial Property	Emission Rights	Other	Investments in progress	Total Intangible Assets
Amortisation and Impairment:							
1 January 2022	2 331 795	1 893 405	97 532	1 859 309	47 985	-	6 230 026
Amortisation (Note 28)	-	159 978	10 915	2 047 761	-	-	2 218 653
Transfers	-	-	-	(688 019)	-	-	(688 019)
Write-offs	(8 070)	(8 095)	(70 587)	(2 268 545)	-	-	(2 355 297)
31 December 2022	2 323 725	2 045 289	37 859	950 506	47 985	-	5 405 363
Amortisation (Note 28)	1 277	73 305	9 188	2 123 603	-	-	2 207 372
Disposals	-	-	-	(2 047 761)	-	-	(2 047 761)
Write-offs	(987)	(12 961)	(22 458)	-	-	-	(36 406)
Adjustments	-	-	-	1 097 255	-	-	1 097 255
31 December 2023	2 324 015	2 105 632	24 590	2 123 603	47 985	-	6 625 823
Net book value:							
At 31 December 2023	44 686	203 173	95 903	8 370 810	-	829 162	9 543 734
At 31 December 2022	828 243	75 179	96 119	5 783 489	-	218 469	7 001 499
At 1 January 2022	938 177	167 320	98 311	3 540 869	-	-	4 744 677

As shown in the table above, depreciation for the period amounted to 2.207 million euros (2022: 2.218 million euros) and accumulated depreciation at the end of the period amounted to 6.626 million euros (2022: 5.405 million euros).

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
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10. Financial Holdings

As of 31 December 2023 and 2022, Financial Holdings were as follows:

	31/12/2023	31/12/2022
Equity Method		
Investments in Associated Enterprises (Note 10.1)	1 065 785	816 207
	1 065 785	816 207
	31/12/2023	31/12/2022
Other Methods		
Investments in other companies	-	233 969
Unlisted shares (Note 10.2)	538 032	9 782
	538 032	243 750

10.1 — Investments in associated enterprises

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

	Financial information				
	Equity	Net Income	%	31/12/2022	31/12/2023
Equity Method					
AQP	1 617 288	439 830	49.9	807 027	1 056 630
Other	-	(25)	-	9 180	9 155
	1 617 288	439 805		816 207	1 065 785

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 2023	Acquisition of a subsidiary	Net Earnings (Note 21)	Dividend Distribution	Changes in Equity	Capital Gain (Note 21)	Balance at 31 December 2023
AQP - Aliada Quimica Portugal, Lda	807 027	-	439 830	(190 226)	-	-	1 056 630
Other	9 180	-	(25)	-	-	-	9 155
	816 207	-	439 805	(190 226)	-	-	1 065 785

	Balance at 1 January 2022	Acquisition of a subsidiary	Net Earnings (Note 21)	Dividend Distribution	Changes in Equity	Capital Gain (Note 21)	Balance at 31 December 2022
AQP - Aliada Quimica Portugal, Lda	1 014 088	-	190 226	(397 288)	-	-	807 027
Other	9 429	-	-	-	(249)	-	9 180
	1 023 517	-	190 226	(397 288)	-	-	816 207

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At 31 December 2023 and 2022, summary financial information relating to the associated enterprises can be analysed as follows:

	31/12/2023 AQP	31/12/2022 AQP
Non-current assets	1 103 169	1 044 487
Current assets	2 692 703	1 872 936
Non-current liabilities	-	-
Current liabilities	1 678 376	1 300 136
Equity	2 117 496	1 617 288
Turnover	5 399 248	4 240 360
Net profit for the year	881 423	381 215

The accounting policies of the associated enterprises do not differ significantly from the Group's policies, which is why there was no need for any harmonisation of accounting policies.

10.2 — Financial Holdings - Other methods

	01/01/2022	Impairments Balance Sheet	31/12/2022	Creation, acquisition and sale	Impairments IS	Balance Sheet	31/12/2023
Erase - Emp. Regeneração de Águas e Solos de Estarreja, ACE	22 628	(13 400)	9 228	-	-	(13 400)	9 228
Ynvisible Interactive Inc.	61 224	(37 006)	24 219	-	-	1 358	25 576
Other	554	-	554	-	-	-	554
Hytlantic, SA	209 750	-	209 750	-	(117 446)	(117 446)	92 304
Lifthium Energy, SA	-	-	-	410 370	-	-	410 370
	294 156	(50 406)	243 750	410 370	(117 446)	(129 488)	538 032

The company Lifthium Energy, SA was incorporated, a company dedicated to the development of a lithium refining project. In December, 85% of the company's shares were sold to the parent company, José de Mello Capital, SA.

11. Goodwill

11.1 — Reconciliation of the carrying amount of goodwill

Positive consolidation differences recorded in assets, the acquisition cost and the proportional value of the equity of the affiliated companies, reported on the acquisition date, are shown in the table below:

	Acquisition year	Acquisition cost	% of Equity acquired	Initial purchase difference	Final purchase difference
MIRALCALIS	2021	5 139 230	20	139 230	139 230
DOLOPAND	2016	1 000	100	560	560
ENKROTT Madeira	2022	-	33.5	51 318	51 318
GRUPO AGUAS ALFARO	2021	10 291 577	100	4 418 631	4 418 631
				4 609 740	4 609 740

12. Inventories

12.1 - Inventories

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

	31/12/2023	31/12/2022
Goods	4 930 192	5 321 255
Raw materials, Subs. Materials and Consumables	24 557 076	24 513 948
Intermediate and Finished Products	8 263 105	10 383 595
Products and Work in Progress	521 496	181 709
	38 271 869	40 400 508

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

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12.2 - Change in Production

	Intermediate and Finished Products	Products and Work in Progress	Total
Balance at 1 January 2022	4 699 256	811 121	5 510 378
Adjustments	(399 188)	-	(399 188)
Increase/Decrease for the year	6 083 528	(629 412)	5 454 116
Balance at 31 December 2022	10 383 595	181 709	10 565 305
Balance at 1 January 2023	10 383 595	181 709	10 565 305
Adjustments	328 866	-	328 866
Increase/Decrease for the year	(2 449 357)	339 787	(2 109 570)
Balance at 31 December 2023	8 263 105	521 496	8 784 601

12.3 - Cost of goods sold and materials consumed

	Goods	Raw Material, Subsidiary Material and Consumables	Total
Inventories at 1 January 2022	4 608 110	17 411 203	22 019 313
Purchases	25 444 308	339 033 246	364 477 554
Adjustment of inventories	-	775 807	775 807
Inventories at 31 December 2022	5 321 255	24 513 948	29 835 204
Cost of goods sold and materials consumed	24 731 163	332 706 307	357 437 470
Inventories at 1 January 2023	5 321 255	24 513 948	29 835 204
Purchases	30 680 885	259 519 387	290 200 272
Adjustment of inventories	-	338 061	338 061
Inventories at 31 December 2023	4 930 192	24 557 076	29 487 268
Cost of goods sold and materials consumed	31 071 948	259 814 320	290 886 268

12.4 – Impairment losses on inventories

	2023	2022
Impairment Losses:		
Raw materials, Subs. Materials and Consumables	(355 875)	-
	(355 875)	-

13. State and other public bodies

As of 31 December 2023 and 2022, this caption is broken down as follows:

	31/12/2023	31/12/2022
Balance Receivable		
Income tax	1 499 290	887 929
	1 499 290	887 929
Balance Payable		
Income Tax Withholdings	383 845	351 467
VAT	2 828 895	3 612 277
Social Security Contribution	699 541	626 774
	3 912 282	4 590 518

14. Deferrals

14.1 - Reportable expenses

As of 31 December 2023 and 2022, reportable expenses are broken down as follows:

	31/12/2023	31/12/2022
Reportable expenses		
Insurance	2 744 847	361 695
Financial charges	1 132 865	1 169 341
Other	382 202	113 712
	4 259 915	1 644 747

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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The Financial charges item refers to the accounting of the amortised cost, referring to the financing contracted at Bondalti Chemicals in 2019.

14.2 — Reportable income

Reportable income is broken down as follows:

	31/12/2023	31/12/2022
Reportable income		
Development rights	419 650	446 600
Advance sales	31 002	99 435
Grants	15 342 471	2 888 850
Emission right subsidies	8 034 155	4 686 234
	23 827 278	8 121 119

The movement in subsidies was as indicated in the following table:

	31/12/2023	31/12/2022
Opening balance	2 888 850	3 475 289
Received during the year	13 064 581	220 608
Transferred to Profit or Loss (Note 24)	(610 959)	(807 047)
Closing balance	15 342 471	2 888 850

The amounts received during the year relate to incentives for the H2Enable project, at Bondalti H2, relating to the Recovery and Resilience Plan.

15. Financial instruments

The measurement bases used for financial instruments and other accounting policies used for the accounting of financial instruments relevant to the understanding of the financial statements are described under subdivision 7) of Note 2.1.

The following table summarises the financial instruments:

ASSET CAPTIONS	31/12/2023	31/12/2022
Non-current		
Other financial assets (Note 15.1)	61 408 300	61 950 858
Other receivables (Note 13.1)	-	-
Financial Holdings - Other Methods (Note 10.2)	538 032	243 750
	61 946 333	62 194 608
Current		
Trade debtors (Note 15.2)	57 656 847	72 780 050
Other receivables (Note 15.2)	7 576 668	3 675 465
Cash and Bank Deposits (Note 4)	60 640 341	35 626 885
	125 873 856	112 082 400
LIABILITIES CAPTIONS	31/12/2023	31/12/2022
Non-current		
Borrowings (Note 15.5)	52 456 327	78 375 117
Lease liabilities (Note 7.2)	17 380 713	17 025 947
Other payables (Note 15.4)	1 798 512	2 699 568
	71 635 552	98 100 632
Current		
Trade creditors (Note 15.3)	61 929 292	63 248 483
Lease liabilities (Note 7.2)	3 062 956	2 594 489
Advances from customers	5 346 250	2 913 659
Borrowings (Note 15.5)	33 657 420	25 935 870
Other payables (Note 15.4)	33 871 531	25 023 507
	137 867 448	119 716 008

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All financial assets and liabilities are subsequently measured at amortised cost, with the exception of “Financial Holdings – Other Methods” subsequently measured at fair value through profit or loss.

The fair value of financial assets and liabilities, measured at amortised cost, is not materially different from the carrying amount.

15.1 — Other Financial Assets

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:

	31/12/2023			31/12/2022		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
Assets - Non-current						
Other financial assets						
Loans to Other Related parties	61 180 000	-	61 180 000	61 180 000	-	61 180 000
Other	228 300	-	228 300	110 032	-	110 032
Advances on investments	-	-	-	660 825	-	660 825
	61 408 300	-	61 408 300	61 950 858	-	61 950 858

The loans to Group companies relate to the subscription of bonds issued by José de Mello Capital, SA, in an amount of 61 180 000 euros. The bonds bear interest at normal market rates.

15.2 — Trade accounts receivable 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:

	31/12/2023			31/12/2022		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
Trade Debtors						
Customers c/a	57 383 412	-	57 383 412	71 865 060	-	71 865 060
Trade bills receivable	273 435	-	273 435	914 990	-	914 990
Doubtful receivables	3 762 247	(3 762 247)	-	4 181 952	(4 181 952)	-
	61 419 093	(3 762 247)	57 656 847	76 962 002	(4 181 952)	72 780 050
Sundry receivables						
Staff	71 565	-	71 565	45 612	-	45 612
Accrued debtors and creditors	4 027 512	-	4 027 512	511 676	-	511 676
Other debtors	2 697 932	-	2 697 932	2 265 903	-	2 265 903
Other Group Debtors (Note 5)	-	-	-	1 729	-	1 729
Other doubtful debtors	269 316	(269 316)	-	269 316	(269 316)	-
Advances to Suppliers	779 659	-	779 659	850 545	-	850 545
	7 845 984	(269 316)	7 576 668	3 944 781	(269 316)	3 675 465

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

YEAR 2023	Opening balance	Impairment (IS)	Use and Correction	Reversal (IS)	Closing balance
Financial assets measured at cost less impairment					
Trade debtors					-
Doubtful receivables	(4 181 952)	(8 000)	324 177	103 528	(3 762 247)
Other Receivables					
Other Doubtful debtors	(269 316)		-	-	(269 316)
	(4 451 267)	(8 000)	324 177	103 528	(4 031 563)

YEAR 2022	Opening balance	Impairment (IS)	Use and Correction	Reversal (IS)	Closing balance
Financial assets measured at cost less impairment					
Trade debtors					-
Doubtful receivables	(4 017 709)	(74 217)	(238 376)	148 351	(4 181 952)
Other Receivables					
Other Doubtful debtors	(269 316)	-	-	-	(269 316)
	(4 287 025)	(74 217)	(238 376)	148 351	(4 451 267)

The Group's exposure to credit risk is attributable to accounts receivable from its normal business activities. The amounts presented in the statement of financial position are net of accumulated impairment losses that were estimated by the Group. The Management believes that the book value of the accounts receivable is close to its fair value, given that they do not bear interest and the discount effect is deemed immaterial.

15.3 — Trade creditors

The caption Trade creditors as of 31 December 2023 and 2022 shows the following detail:

	31/12/2023	31/12/2022
Trade Creditors		
Trade creditors c/a	52 153 692	54 308 250
Trade creditors c/a Group (Note 5)	248 380	231 000
Trade Bills Payable	3 042	4 009
Invoices Pending	9 524 178	8 705 224
	61 929 292	63 248 483

On 31 December 2023 and 2022, the ageing of the balance of trade creditors can be broken down as follows:

	31/12/2023	0-90 days	90-180 days	> 180 days
Trade creditors c/a	52 153 692	52 085 750	67 942	-
Trade Bills Payable	3 042	3 042	-	-
Trade creditors - Related parties (Note 5.2)	248 380	248 380	-	-
Invoices pending approval	9 524 178	8 935 272	215 169	373 737
	61 929 292	61 272 444	283 111	373 737

	31/12/2022	0-90 days	90-180 days	> 180 days
Trade creditors c/a	54 308 250	54 265 911	30 915	11 424
Trade Bills Payable	4 009	4 009	-	-
Trade creditors - Related parties (Note 5.2)	231 000	231 000	-	-
Invoices pending approval	8 705 224	6 141 491	1 857 540	706 193
	63 248 483	60 642 411	1 888 455	717 617

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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15.4 — Other payables

As of 31 December 2023 and 2022, the caption Other payables took the following form:

	31/12/2023	31/12/2022
Non-current		
Investment providers	1 221 512	1 699 568
Other payables	577 000	1 000 000
	1 798 512	2 699 568
Current		
Sundry payables		
Staff	32 866	127 302
Investment providers	10 176 041	5 303 180
Creditors by accrued expenses		
Holiday and holiday allowance	3 910 313	3 374 081
Financial charges	18 416	18 915
Insurance	-	1 847
Other accruals	1 792 016	1 737 248
Other payables	7 329 683	767 050
Other payables (Note 5)	10 612 195	13 693 885
	33 871 531	25 023 507
	35 670 043	27 723 075

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

The current Investment providers balance refers, in large part, to the balance of 3 suppliers worth 4.025 million euros, referring to the technological renovation of the electrolysis process in Estarreja.

Other non-current debts payable relate to a payment to be made to the previous

shareholders of the Grupo Aguas Alfaro, within a period of two years.

The balance of the Other accruals item includes the anticipation of water resources and effluent treatment fees amounting to 416 thousand euros, IMI amounting to 41 thousand euros and 143 thousand euros relating to *volume discounts* to be issued in 2024.

The caption Sundry payables includes:

- 5.989 million euros referring to the IAPMEI advance under the NGS (New Generation Storage) agenda of the Recovery and Resilience Plan, a project that is still in an initial investment phase;
- 337 thousand euros relating to the value of CO₂ Licences to be delivered to our partner.
- 280 thousand euros from a contribution agreement with ANPC to be paid in 2024 and 2025.

The balance of the Sundry payables item (Note 5) refers to the tax payable by the Group to José de Mello Capital, as we are included in the RETGS.

15.5 - Borrowings

Borrowings as of 31 December 2023 and 2022 are detailed as follows:

	2023		2022	
FINANCING ENTITIES	Current	Non-current	Current	Non-current
Bank loans at amortised cost (Note 15.5.1)	25 000 000	51 621 185	24 000 000	76 621 185
Bank loans at cost	7 627 705	337 941	1 208 941	865 532
Financial Leasing	526 758	410 134	106 895	283 518
Factoring	-	-	620 034	-
Other lenders	502 957	87 067	-	604 881
	33 657 420	52 456 327	25 935 870	78 375 117

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The amounts of Bank loans at amortised cost relate to Bondalti Chemicals’ financing operations.

The amount of Bank loans at cost includes 5 million euros from Bondalti Capital which were paid off at the beginning of January.

Financial Leases refer to the Enkrott Group and the Grupo Aguas Alfaro.

15.5.1. – Financial liabilities at amortised cost

Financial liabilities measured at current and non-current amortised cost and respective conditions are shown in the following table:

	Maturity	2023	Maturity	2022
Financing payable				
Non-current				
Bank Loans				
Commercial Banks	30/06/2027	51 621 185	30/06/2027	76 621 185
		51 621 185		76 621 185
Current				
Bank Loans				
Commercial Banks	30/06/2027	25 000 000	30/06/2027	24 000 000
		25 000 000		24 000 000
		76 621 185		100 621 185

In 2019, Bondalti Chemicals restructured its financial debt, concluding a syndicated long-term loan with 8 banks, which allowed it to refinance its entire debt and create conditions for further investments in the following years.

This refinancing presupposes compliance with financial autonomy ratios of a minimum of 25% and a maximum net debt to EBITDA of 4.0X. At the end of the year, the ratios were being met.

The repayment period for bank loans, other loans and repayable incentives is as follows:

	31/12/2023				
	2024	2025	2026	2027	>2027
Bank loans	51 621 185	25 621 185	121 185	-	-

	31/12/2022				
	2023	2024	2025	2026	>2026
Bank loans	76 621 185	51 621 185	25 621 185	121 185	-

16. Provisions, Contingent liabilities and Contingent assets

The accounting policies adopted for the recognition of Provisions, Contingent liabilities and Contingent assets are described in subdivision 16) of Note 2.1.

16.1 - Provisions

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

	Other provisions	TOTAL
At 1 January 2022	5 799 421	5 799 421
Uses in the year	(76 434)	(76 434)
Reversals for the year	(31 093)	(31 093)
Increases in the year	567 287	567 287
Increase in Acquired Entities	31 433	31 433
At 31 December 2022	6 290 614	6 290 614
At 1 January 2023	6 290 614	6 290 614
Uses in the year	(136 700)	(136 700)
Increases in the year	443 062	443 062
At 31 December 2023	6 596 976	6 596 976

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Movements in the year can be broken down as follows:

2023							
DESCRIPTION	Opening balance	Uses in the year	Reversals in the year (IS)	Increases in the year (IS)	TOTAL IS	Increase in Acquired Entities	Closing Balance
Discontinuation provision	5 500 000	-	-	275 000	275 000	-	5 775 000
Customer Guarantees Provision	67 287		-	75 699	75 699	-	142 986
Restructuring provision	531 943	(60 759)	-	-	-	-	471 184
Other Legal Proceedings Provision	13 469		-	-	-	-	13 469
Other Provisions	177 914	(75 941)	-	92 363	92 363		194 336
	6 290 614	(136 700)	-	443 062	443 062	-	6 596 976

2022							
DESCRIPTION	Opening balance	Uses in the year	Reversals in the year (IS)	Increases in the year (IS)	TOTAL IS	Increase in Acquired Entities	Closing Balance
Discontinuation provision	5 000 000	-	-	500 000	500 000	-	5 500 000
Customer Guarantees Provision	23 213	(23 213)	-	67 287	67 287	-	67 287
Restructuring provision	587 126	(55 183)	-	-	-	-	531 943
Other Legal Proceedings Provision	11 508	1 961	-	-	-	-	13 469
Other Provisions	177 574	(0)	(31 093)	-	(31 093)	31 433	177 914
	5 799 421	(76 434)	(31 093)	567 287	536 194	31 433	6 290 614

In February 2009, it was decided to definitively discontinue urea and ammonia production at the former AP — Amoníacos de Portugal, SA. To cover the liabilities arising from the decision to discontinue those productive activities at AP — Amoníacos de Portugal, SA, a provision was set up in the amount of 57 million euros. In recent years, this was reduced by an amount of 51.5 million euros, as liabilities relating to workers’ compensation, contract terminations with suppliers, operations to dismantle the deactivated facilities and land cleaning had already been settled. This provision was increased by 275 thousand euros as it was considered that, due to the increase in prices seen in recent years, it would no longer be an adequate market value. As of 31 December 2023, the amount of 5.775 million euros will be used to cover any liabilities that may yet arise from the process of discontinuing production.

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 1.15 million euros in 2013. However, over the course of 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 2023, is 471 thousand euros.

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17. Employee benefits

17.1 — Employee Benefits

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

	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 2022	2 379 373	266 397	2 645 770
Interest cost	16 844	-	16 843.71
Benefits paid	(267 091)	-	(267 090.92)
Actuarial gains and losses	(277 788)	4 288	(273 499.38)
Obligation relating to defined benefits, as of 31 December 2022	1 851 338	270 685	2 122 023
Interest cost	51 745	-	51 745
Benefits paid	(339 610)	-	(339 610)
Actuarial gains and losses	93 475	(35 461)	58 015
Obligation relating to defined benefits, as of 31 December 2023	1 656 949	235 224	1 892 172

17.2 — Post-employment benefits (Defined Benefit Retirement Pension Plan)

The Group’s accounting policy for recognising actuarial gains and losses related to post-employment benefits with defined benefit plans is described in subdivision 17.1) of Note 2.1.

Company	Plan Name	Type	Beneficiaries	Location
Bondalti CHEMICALS	Retirement Pension Plan	Defined Benefit – Old age disability or survivor’s pension supplement	Some of the former and current staff members	Portugal
Bondalti CHEMICALS	Medical Procedures Plan	Defined Benefit – Medical Procedures with no fund established	Some of the former and current staff members	Portugal

The Group has commitments to some of its former and current employees, with whom this liability was assumed, for the payment of supplements for old age, invalidity and survivor’s pensions.

The Group uses the method called “Project Unit Credit”, which uses the following assumptions and technical and actuarial bases, in 2022 and 2023:

	2022	2023
Salary Growth Rate for the purposes of Social Security	2%	2%
Salary Growth Rate	2%	2%
Discount Rate	3%	3%
Pension Growth Rate	0%	0%
Discount Rate (Life Income)	0.75%	0.75%
Revaluation of Social Security Salaries	1%	1%
Mortality table	TV 88/90	TV 88/90
Disability table	EKV80	EKV80

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Although it has not set up any fund or insurance to cover these liabilities, the Group 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.

The companies included in the consolidation perimeter on 31 December 2023 obtained, with reference to this date, an actuarial valuation report, presented by Actuariado - Estudos Actuariais, Económicos e Financeiros. The current value of the company’s liabilities with past retirement pension services, at the balance sheet date, is estimated at 1.657 million euros in 2023, and 1.851 million euros in 2022, respectively, the Liability for Post-Employment Benefits being adjusted to this amount.

17.3 — Medical Procedures Benefits

The Group 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 Tejo, as well as the part of the medicines not reimbursed by the National Health Service (and 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 Procedures, as of 31 December 2023, is estimated at 235 thousand euros (271 thousand euros at 31 December 2022), which is included under the caption “Liabilities for Post-Employment Benefits”.

17.4 — Staffing Costs

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

	2023	2022
Remuneration of Directors	4 345 518	4 223 666
Compensation of Staff	25 312 712	22 739 651
Retirement Benefits		
Retirement Pension Plan	51 896	46 340
Other Post-employment benefits		
Medical Procedures Plan	63 154	-
Compensation Payments	1 185 127	778 207
Charges on Compensation	6 119 876	5 615 648
Insurance against accidents at work and occupational diseases	335 804	341 227
Social expenses	1 538 831	1 306 777
Other staffing costs	875 476	799 677
	39 828 394	35 851 194

During the years 2023 and 2022, the average number of staff employed by the Group was 741 and 702, respectively, as follows:

COMPANY NAME	2023	2022	Variation
Grupo Bondalti CHEMICALS	337	312	25
Bondalti CAPITAL	69	61	8
Enkrott Group	175	174	1
Grupo Aguas Alfaro	160	155	5
	741	702	39

(In 2023, 9 remunerated directors are included, and 7 directors in 2022)

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18. Equity instruments

18.1 — Capital

As of 31 December 2023 and 2022, the Company’s capital, fully subscribed and paid-up, consisted of 4 084 400 Shares with a nominal value of 5 euros each.

18.2 — Reserves and earnings

The amounts of unappropriated earnings are available for distribution.

The positive Net Earnings generated in the 2022 financial year, as approved by the General Meeting - minutes no. 44, amounting to 51 822 711.48 euros, were applied as follows:

To Unappropriated Earnings 51 822 711.48 euros

As a result of the change in the accounting framework to the IFRS, the 2022 Net Earnings, as per Note 3, saw a positive variation in the amount of 32 791.33 euros, which is found in the Unappropriated Earnings account.

18.3 — Adjustments and Other changes in equity

The amounts resulting from the change in fair value were recognised in equity during the period, to cover the interest rate risk of the loans contracted for the Capacity Expansion Plan. Other risks are shown in the following table:

	31/12/2021	Change in fair value	31/12/2022	Change in fair value	31/12/2023
Change in Assets					
Other	2 920 054	(998 362)	1 921 692	(2 849 407)	(927 715)
	2 920 054	(998 362)	1 921 692	(2 849 407)	(927 715)

18.4 — Non-controlling interests

As of 31 December 2023 and 2022, the details of non-controlling interests refer to the following subsidiaries:

	31/12/2023		31/12/2022	
	Proportion in net earnings	Proportion in equity	Proportion in net earnings	Proportion in equity
Enkrott Group	(160 792)	(683 335)	31 863	(294 958)
	(160 792)	(683 335)	31 863	(294 958)

During the periods ended 31 December 2023 and 2022, the change in the caption non-controlling interests was as follows:

	31/12/2023	31/12/2022
Opening balance	(294 958)	1 981 582
Appropriation of earnings for the year	(160 792)	31 863
Change in the Consolidation Perimeter	-	(2 308 403)
Adjustment	(227 585)	-
Closing balance	(683 335)	(294 958)

As already mentioned, on 31 December 2023, all the companies are 100% owned, with the exception of the subsidiary Enkrott Africa, SA, which is 80% owned.

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19. Grants and Other Support from Public Bodies

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

RECOGNISED IN PROFIT OR LOSS FOR THE YEAR	2023	2022
Investment Grants (Note 24)	610 959	807 047
Revenue Grants	1 959 909	401 486
	2 570 868	1 208 534

20. Revenue

As of 31 December 2023 and 2022, the caption Sales and Services breaks down as shown in the following table:

	2023	2022
Sales of Goods		
Goods	48 840 261	52 492 116
Intermediate and Finished Products	469 643 749	542 783 627
By-products, Waste and Scrap	222 988	264 492
Sales Returns	(3 542 536)	4 013 697
Sales discounts and rebates	(25 795 068)	(18 597 320)
	489 369 393	580 956 613
Services Provided		
Services	14 507 451	20 144 776
Discounts and rebates	(246 431)	(5 031 959)
	14 261 020	15 112 817
	503 630 414	596 069 430

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

	2023					
	Portugal	Rest of Europe	Africa	Asia	America	Total
Sales of Goods	232 168 928	212 531 831	659 415	704 541	43 304 678	489 369 393
Services Provided	13 676 301	474 319	110 400	-	-	14 261 020
	245 845 229	213 006 150	769 815	704 541	43 304 678	503 630 414
	2022					
	Portugal	Rest of Europe	Africa	Asia	America	Total
Sales of Goods	285 773 099	230 097 226	915 926	49 414	64 120 947	580 956 613
Services Provided	13 339 764	1 757 336	15 717	-	-	15 112 817
	299 112 863	231 854 563	931 642	49 414	64 120 947	596 069 430

The gross margin is as shown in the following table:

	2023	2022
Sale	489 369 393	580 956 613
Variation in production (Note 11.2)	(2 109 570)	5 454 116
Cost of goods sold and materials consumed (Note 11.3)	(290 886 268)	(357 437 470)
	196 373 555	228 973 259

As described in the management report, the value of sales in the 2022 financial year was due not only to an increase in quantities sold, but also to an increase in prices, the formation mechanism of which is indexed to the price of various raw materials, which in 2022 reached all-time highs.

In 2023, despite an increase in quantities produced, raw material prices reduced considerably compared to the previous year, which resulted in lower sales values.

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21. Gains/Losses charged to subsidiaries, associate enterprises and joint ventures

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Income and Gains, Subs., Assoc. Ent. and Joint Vent.		
Application of the equity method (Note 10.1)	439 830	190 226
Other	-	622 918
	439 830	813 144
Expenses and Losses on Subs., Assoc. Ent. and Joint Ventures		
Application of the equity method	-	25
Other	497 130	79 482
	497 130	79 507
	(57 300)	733 637

22. Own work capitalised

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Own work capitalised for:		
Investment Properties	60 787	147 071
Tangible Fixed Assets	256 195	167 971
	316 982	315 042

23. External charges for services

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Subcontracts	3 772 927	4 864 344
Specialised Services		
Specialised work	6 534 995	5 989 309
Advertising and publicity	611 160	293 188
Surveillance and security	673 906	672 329
Fees	203 895	218 125
Commissions	10 896	17 719
Maintenance and repair	8 711 735	8 356 849
Other Services	2 564 439	2 609 136
Materials		
Tools and fixtures	85 595	58 705
Books and technical documentation	54 128	49 089
Office supplies	724 796	454 079
Samples	12 002	49 468
Other	164 027	275 520
Energy and Fluids		
Electricity	17 752 448	45 575 983
Fuels	4 680 220	5 864 737
Water	1 999 073	1 610 044
Gases		
Other fluids	3 195 872	2 093 230
Travel, lodging and transport		
Travel and accommodation	1 487 317	1 128 435
Transport of Staff	2 996	2 341
Transport of goods	29 019 822	27 088 338
Other transport	111 063	47 595
Miscellaneous services		
Leases and rents	1 415 603	957 995
Communication	312 599	295 813
Insurance	2 938 946	2 775 836
Litigation and notaries	17 244	20 636
Representation expenses	244 015	126 321
Cleaning, hygiene and comfort	459 344	389 961
Other	133 996	64 697
	87 895 058	111 949 822

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The caption Specialised works includes around 2 million euros relating to specialised consultancy work for new projects.

The decrease in the amounts under electricity results from the reclassification, in 2023, of the amounts received relating to the interruptibility mechanism, which began to be considered under Other Income, as per Note 23, and the provision of the regulation reserve band service, which was considered as a subsidy, as per Note 18.

With the increase in production and quantities sold, transport costs increased by around 2.2 million euros, an increase that did not follow the value of sales for the reasons explained in Note 19.

24. Other income

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Additional Income		
Assignment of staff and premises	44 154	89 719
Equipment hire	408 767	379 190
Other	13 007 497	1 649 600
Cash discounts received	2 324	1 430
Recovery of receivables	-	19
Gains on Inventories	61	1 433
Income and Gains on Non-Financial Investments		
Disposals	34 921	5 060 909
Income and other Income from Investment Prop.	3 778	10 023
Gains on emission rights		
Use of rights allocated (Note 35)	2 123 603	2 047 761
Gains on the sale of emission rights	-	688 019
Other	46 293	51 827
Other		
Corrections relating to previous periods	172 818	383 801
Contractual benefit penalties	-	2 816
Compensation payments for Insurable Events	36 049	367 826
Overestimation of Taxes	343 071	-
Apportionment of Investment Grants	610 959	807 047
Tax Refund	-	3 402
Operating exchange differences (Note 26)	886 327	1 144 351
Other unspecified	899 564	418 553
	18 620 186	13 107 727

Under the caption Other additional income, support for the provision of the regulation reserve band service was considered, in the amount of 11.543 million euros. In previous years, this support had different characteristics, being called an interruptibility mechanism and was considered under the SS caption. In 2022, the amount was around 4.9 million euros.

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The gains from emission rights refer to the apportionment of the grant from the Portuguese Carbon Fund relating to the reduction of CO₂ Emissions, in an amount of 2.124 million euros.

Under the caption Other unspecified, 337 thousand euros were considered relating to the delivery of CO₂ licences to a partner of ours and 317 thousand euros relating to the return of amounts paid in excess in previous years, by a CCG in which we participate.

25. Other Expenses

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Taxes	551 827	502 504
Prompt payment discounts	11 506	14 749
Irrecoverable debts	20 139	-
Losses on Inventories	11 243	-
Expenses and Losses on Non-Financial Investments		
Disposals	1 294 885	568
Write-offs	94 524	7 756
Other		
Corrections relating to previous periods	28 957	48 047
Donations	1 885 263	1 679 257
Contributions	672 683	595 880
Inventory gifts and samples	345	506
Underestimation of taxes	-	119 886
Operating exchange differences (Note 26)	1 513 292	1 831 213
Fines and penalties		
Non-tax fines	12 178	1 208
Industrial Property Expenditure	11 740	17 550
Banking Services	88 711	79 525
Confidential expenditure	29 347	27 702
Other	493 344	67 954
Consolidation Adjustments	-	-
	6 719 984	4 994 304

The taxes largely reflect the water rates and wastewater treatment rates, amounting to 410 thousand euros, as well as the values of IMI and AIMI, amounting to 59 thousand euros.

Expenses and Losses on Non-Financial Investments refer to charges assumed with the sale of a plot of land in Loulé.

The amount of 1.885 million euros under donations includes, among others, a donation of 1 million euros to the Portuguese Catholic University and a donation of 500 thousand euros to the World Youth Days.

26. Effects of changes in exchange rates

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

	2023	2022
Exchange gains included in:		
Sundry income		
Other operating exchange differences (Note 24)	886 327	1 144 351
	886 327	1 144 351
Exchange losses included in:		
Sundry expenses		
Other operating exchange differences (Note 25)	1 513 292	1 831 213
	1 513 292	1 831 213

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.

Favourable and unfavourable exchange rate differences result exclusively from the exchange variance of the dollar against the euro resulting from the acquisition of raw materials.

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27. Increases/Decreases in fair value

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023		2022	
	Balance Sheet	IS	Balance Sheet	IS
Financial Assets				
Other Financial Assets	-	1 358	-	(38 600)
	-	1 358	-	(38 600)

This variation arises from the adjustment to the fair value of Invisible Interactive.

28. Depreciation and amortisation expenses/reversals

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Depreciation and amortisation expenses		
Investment Properties (Note 8)	48 001	48 009
Property, Plant and Equipment (Note 6)	20 903 211	19 733 603
Intangible Assets (Note 9)	2 207 372	2 218 653
Right-of-use assets (Note 7.1)	3 226 266	2 773 818
	26 384 850	24 774 083

29. Interest and similar income

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Interest Received		
From Deposits	3 008 484	377 661
Other Similar Income		
SWAP Raw Material hedge	-	1 293 847
Other	21 656	34 984
	3 030 140	1 706 492

30. Interest and similar expenses incurred

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Interest Paid		
On Borrowings	2 568 084	3 253 295
On Leases	478 414	435 202
Other	23 867	26 648
Other Sundry Financing Expenses		
Commissions on bank credit	131 897	108 009
Stamp Duty on Borrowings	6 691	25 517
Expenses with Opening Credit Bank Guarantees	4 566	1 726
SWAP Raw Material hedge	-	10 612 574
Other	103 045	99 890
	3 316 564	14 562 862

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31. Income tax

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

	2023	2022
Current Tax		
Corporation Tax for the year	20 270 594	18 132 406
	20 270 594	18 132 406
Deferred Tax		
Originated and reversed due to temporary differences	(1 265 660)	(2 302 237)
	(1 265 660)	(2 302 237)
	19 004 934	15 830 169

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

	2023	2022
Deferred tax		
Net gains on the revaluation of property, plant and equipment		
Recognised in Revaluation Reserves	1 594 458	1 477 393
	1 594 458	1 477 393

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 tables:

	Balance Sheet		Income Statement Accounts		Other Equity Captions	
	2023	2022	2023	2022	2023	2022
Deferred Tax Assets						
Temporary differences:						
Other						
Post-employment benefits - Medical procedures	52 925	60 904	(7 979)	965	-	-
Post-employment benefits - Pensions	372 813	416 551	(43 738)	(118 808)	-	-
Provisions not accepted for tax purposes	1 417 983	1 975 035	62 139	(290 715)	-	-
Impairment of depreciable assets	468 712	522 574	(53 862)	(18 974)	-	-
Tax Losses	2 596 985	3 559 018	(398 260)	1 825 933	-	-
Other	324 714	676 113	-	(163 118)	-	-
	5 234 133	7 210 196	(441 699)	1 235 283	-	-
Tax Exemptions or Reductions	-	-	1 131 814	283 973	-	-
	5 234 133	7 210 196	690 115	1 519 256	-	-

	Balance Sheet		Income Statement Accounts		Other Equity Captions	
	2023	2022	2023	2022	2023	2022
Deferred Tax Liabilities						
Temporary differences:						
Adjustments for transition to the SNC						
Revaluation of investment properties	1 594 458	2 170 003	(575 546)	(763 622)	-	-
CO ₂ Permit Grant	-	-	-	-	-	349 785
Other						
Revaluation of property, plant and equipment	230 478	294 370	-	(19 359)	-	-
	1 824 935	2 464 374	(575 546)	(782 981)	-	349 785

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32. Financial risk management

The Group’s activity is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and property risk), credit risk and liquidity risk.

Financial risk is the risk that the fair value or future cash flows of a financial instrument will vary and that results, whether positive or negative, will be different from those expected, altering the Group’s asset value.

In carrying out its current activities, the Group is exposed to a variety of financial risks that may alter its asset value, which, according on their nature, can be grouped into the following categories:

- Market risk
 - Interest rate risk
 - Exchange rate risk
- Credit risk
- Liquidity risk

The management of the risks mentioned above – risks that result, to a large extent, from the unpredictability of financial markets – requires the careful application of a series of rules and methodologies approved by Management, the ultimate objective of which is to minimise their potential negative impact on the company’s asset value and performance.

Risk management is evaluated centrally and any measure applies across all companies in the group.

With this objective, all management is guided by two essential concerns:

- To reduce, whenever possible, fluctuations in earnings and cash flows subject to risk situations;
- To limit deviations from the forecast results, through rigorous financial planning, based on multi-annual budgets.

32.1 - Market Risk

The volatility of international markets requires scrupulous compliance with the procedures that have already been established, in order to avoid the possible impact of adverse events.

Management is monitoring the impacts of the current macroeconomic environment on the Group’s chain of operations, ensuring that mitigating measures are applied to minimise, whenever possible, the negative effects and uncertainty that threatens global economic stability.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will vary, due to

changes in market interest rates, altering the Group’s asset value.

Bondalti, under the medium and long-term financing contracted in 2019, fixed the interest rate for the main tranche of financing, fully mitigating the risk of interest rate volatility. Exposure to interest rate changes was limited only to the tranche contracted for investments in CapEx, the value of which used at the time amounts to 10 121 185 euros.

In the years ended 31 December 2023 and 2022, the sensitivity of the Group to changes of around one percentage point in the indexing of the interest rate, measured as the variation in financial profit/loss, may be analysed as follows:

RATE	31/12/2023	31/12/2022
Decrease of 1% in the interest rate applied to the entire debt	(101 212)	(101 212)
Increase of 1% in the interest rate applied to the entire debt	101 212	101 212

The above sensitivity analysis was calculated based on the exposure to interest rates existing at the end date of each financial year.

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

(b) Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will vary as a result of changes in exchange rates. The Group is exposed to exchange rate variations.

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of 10% and -10%, with all other variables remaining constant. The impact on the company’s pre-tax profit is due to changes in the fair value of monetary assets and liabilities, including undesignated foreign currency derivatives and embedded derivatives. The impact on the company’s pre-tax equity is due to changes in the fair value of forward foreign exchange contracts designated as cash flow hedges and net investment hedges. The company’s exposure to exchange rate variations for all other currencies is not significant.

	Changes in the exchange rate	Effect on earnings before tax
	USD	
2023	10%	1 318 403
	-10%	(1 611 381)
2022	10%	343 570
	-10%	(419 919)

32.2 - Credit Risk

Credit risk is the risk that a counterparty will not comply with its obligations under a financial instrument, leading to a loss. The Group’s most significant credit is associated with its customers, related to its operational activity. The company pursues a policy for granting credit to customers that analyses the customer’s history, activates means that guarantee the collectability of the debt or requires payment conditions that allow the total elimination of risk.

32.3 – Liquidity risk

Liquidity risk is the risk of not having funds available to meet agreed payments, or the risk of non-renewal of loans that mature. The main objective of the liquidity risk management policy is to ensure that the company has available, at all times, the necessary financial resources to meet its liabilities and to pursue its outlined strategies, honouring all commitments made to third parties when they become due through adequate management of the maturity of the financing. In this way, risk management is evaluated centrally and in this specific case, the following aspects are safeguarded:

- Short and medium-term financial planning, taking into account the forecast cash-flow, in order to guarantee sources of financing in a timely manner;

- Diversification strategy for financial partners, in order to minimise the risk of dependence and take the best options;
- Temporal spacing of the maturity of financing, in order to balance the cash position, when debts are repaid.

33. Fair value

The following table presents the measurement hierarchy of the fair value of the Group’s assets and liabilities:

2023	Measurement of fair value used		
	Prices quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
Emission rights (Note 9)	8 370 810		

2022	Measurement of fair value used		
	Prices quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
Emission rights (Note 9)	5 783 489		

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The fair value of accounts payable and receivable corresponds to the carrying amount indicated in the balance sheet, since the effect of discounting future cash flows is immaterial.

34. Other Information

34.1 — Environmental matters - Greenhouse gas emissions

The European Emissions Trading System (ETS) is a mechanism for regulating greenhouse gas (GHG) emissions in activities that are responsible for around 45% of GHG emissions in the European Union, such as the burning of fuels, the refining of mineral oils, metallurgy, the production of clinker, lime and glass, ceramics, pulp and paper, chemicals and aviation.

The global GHG emissions limit set at EU level has been reduced over time. In the fourth ETS implementation period (2021-2030), a linear reduction factor of 2.2% was introduced in the total quantity of available emission allowances (instead of 1.74% in the 2013-2020 period).

An emissions licence allows the emission of one ton of carbon dioxide (CO₂) equivalent during a given period. Emission licences are usually acquired by means of an auction. The revenue generated by the auctions of emission licences allocated to Portugal forms part of the Environmental Fund.

A portion of the emission licences are allocated free of charge, as a transitional rule of this system, namely to avoid “carbon leakage” - the transfer of production to countries where restrictions on emissions are less stringent. The production of electricity and the capture, transport and storage of carbon dioxide are excluded from the free allocation of emission licences. The allocation of free emission licences has been reduced and, with the exception of urban heating, will be abolished by 2030.

A total of 52 183 licences were granted to Bondalti Chemicals for the 2023 financial year.

At the moment, the APA has not yet published the number of licences that will be granted in the remaining years (2023-2030) under the ambit of the fourth period of ETS implementation.

	2021	2022	2023	TOTAL
Assigned permits	50 411	50 299	52 183	152 893

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

	Opening balance	Allocation and purchase	Transfers	Used (Note 24)	Adjustments	Fair Value	Closing Balance
Balance 1 January 2023							
Tons	83 777	52 183	(110)	(27 490)	-	-	108 360
Amount	5 783 489	4 031 137	(8 842)	(2 123 603)	(1 097 255)	1 785 883	8 370 810
Balance 1 January 2022							
Tons	67 536	50 299	(8 582)	(25 476)	-	-	83 777
Amount	3 540 869	4 043 034	-	(2 047 761)	-	247 347	5 783 489

Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Emissions during the year 2023 were 27 490 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 108 360 t, which are available for future use.

Movements occurring in Adjustments and Fair value are considered under the caption Unappropriated earnings and Reportable income, respectively.

34.2 — Bank guarantees and suretyship insurance

As of 31 December 2023, the Group had assumed the following responsibilities for guarantees provided:

ENTITIES	2023 Amount	2022 Amount
Portuguese Environment Agency	21 122	21 122
Loulé City Council	74 282	74 282
REN Rede Elétrica Nacional, SA	260 213	
Directorate-General of Energy and Geology	14 964	14 964
EDP Clientes SAU	700000	-
Merlin Properties, Socimi, SA	28 948	-
Autoridad Portuaria de Vigo	24 500	24 500
Xunta de Galicia	6 500	6 500
	1 130 529	141 368
Bureau of Indian Standards	\$10 000	-

Suretyship insurance taken out this year is as follows:

ENTITIES	2023 Amount	2022 Amount
Tax and Customs Authority - Aveiro Customs	200 000	200 000
Tax and Customs Authority - Aveiro Customs	75 000	75 000
Tax and Customs Authority - Aveiro Customs	75 000	75 000
AdP - Águas de Portugal Serv Ambientais	76 628	16 875
	426 628	366 875

chlorine factory in Estarreja, Bondalti Chemicals took out a letter of credit worth 10.2 million euros, which will mature in 2025.

34.3 — Other guarantees, attachments and mortgages

Under the financing contract concluded by Bondalti Chemicals in June 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, the shares and supplies of Miralcalis and some credits and supplies were pledged in guarantees.

34.4 – Other Credits

As part of a project to replace the electrolyzers at the

Notes to the Consolidated Financial Statements – Bondalti Capital, SA
(Amounts stated in euros)

35. Events after the Balance Sheet date

As of 31 December 2023, Renoeste was classified as a company held for sale and as a discontinued operation. However, in consolidated terms, it continues to be fully considered, as we maintain control of it.

The share purchase and sale contract was signed after the end of the year, on 10 January 2024.

On 5 March 2024, Bondalti announced the launch of a public takeover bid (OPA) for 100% of the shares of the Spanish company Ercros, SA through its subsidiary Bondalti Ibérica, SLU, established for this purpose in February 2024, based in Barcelona.

The offer was made at a price of 3.60 euros per Ercros, SA share, which represents a premium of 40.6% over the shares’ closing price on the previous day, of 2.56 euros. Thus, the offer could amount to 329 170 316.40 euros.

The offer is conditional on the acceptance of more than 75% of the capital and the obtaining of all relevant regulatory and governmental approvals, which will be described in the prospectus accompanying the offer.

Bondalti’s objective, after the operation is completed, is to delist the shares of Ercros, SA from the Spanish stock exchange.

These financial statements were authorised for issue by the Board of Directors.

The Board of Directors

João Maria Guimarães José de Mello

André Cabral Côrte-Real de Albuquerque

João Jorge Gonçalves Fernandes Fugas

João Pedro Ribeiro de Azevedo Coutinho

João Pedro Stilwell Rocha e Melo

Luís Augusto Nesbitt Rebelo da Silva

Luís Henrique Marcelino Alves Delgado

Marisa Poncela García

Vasco Luís José de Mello

The Certified Accountant

Sónia Cristina José Camacho

Statutory Audit



Ernst & Young
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Avenida da Índia, 10 - Piso 1
1349-066 Lisboa
Portugal

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Certificação Legal das Contas

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS

Opinião

Auditámos as demonstrações financeiras consolidadas anexas de Bondalti Capital, S.A. (o Grupo), que compreendem a Demonstração Consolidada da Posição Financeira em 31 de dezembro de 2023 (que evidencia um total de 418.851.290 euros e um total de capital próprio de 171.294.647 euros, incluindo um resultado líquido de 50.696.004 euros), a Demonstração Consolidada dos Resultados por Naturezas, a Demonstração Consolidada do Rendimento Integral, a Demonstração Consolidada das Alterações no Capital Próprio e a Demonstração Consolidada dos Fluxos de Caixa relativos ao ano findo naquela data, e as notas às demonstrações financeiras, incluindo informações materiais sobre a política contabilística.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada de Bondalti Capital, S.A. em 31 de dezembro de 2023 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data, de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas" abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Grupo de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia;
- elaboração do Relatório Consolidado de Gestão nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras consolidadas isentas de distorções materiais devido a fraude ou a erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira do Grupo.

Sociedade Anónima - Capital Social 1.340.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número
A member firm of Ernst & Young Global Limited



Bondalti Capital, S.A.
Certificação Legal das Contas Consolidadas
31 de dezembro de 2023

Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluimos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras consolidadas ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;
- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria; e
- comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do Relatório Consolidado de Gestão com as demonstrações financeiras consolidadas.



Bondalti Capital, S.A.
Certificação Legal das Contas Consolidadas
31 de dezembro de 2023

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o Relatório Consolidado de Gestão

Dando cumprimento ao artigo 451, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o Relatório Consolidado de Gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor e a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e a apreciação sobre o Grupo, não identificámos incorreções materiais.

Lisboa, 8 de maio de 2024

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Representada por:

Assinado por: PAULO JORGE LUIS DA SILVA
Num. de Identificação: 09457396
Data: 2024.05.08 14:07:52+0100'

Paulo Jorge Luis da Silva (ROC n.º 1334)
Registado na CMVM com o n.º 20160944

Report and Opinion of the Supervisory Board

Bondalti Capital, SA

2023 Financial Year

To the shareholders of Bondalti Capital, SA

1. Pursuant to the law, the company by-laws and under the mandate given to us, we hereby present our Report on the supervisory activities carried out in 2023 and offer our opinion regarding the Management Report, the individual and consolidated financial statements and the proposed distribution of profits presented by the Board of Directors of Bondalti Capital, SA in relation to the financial year ended 31 December 2023.

2. We regularly monitored the company’s activity with the frequency and to the extent deemed appropriate, namely through meetings with the Company’s Management and Directors that took place specifically on 27 February 2024 (meeting at the invitation of the Board of Directors), 7 May and 15 May 2024. We monitored, as deemed appropriate, the verification of accounting records and respective supporting documentation, as well as the effectiveness of risk management and internal control systems. We have ensured compliance with the law and the articles of association, to the best of
- our knowledge. In carrying out our activity we have not encountered any constraints or obstacles of any kind.

3. We met with the Statutory Auditor and External Auditor, E & Y Ernst & Young Audit & Asociados – SROC, SA, namely at the meeting held on 7 May 2024, monitoring the audit work carried out and verifying its independence. We reviewed the individual and consolidated Statutory Auditor’s Report, without reservations or emphasis of matter paragraphs, with which we agree.

4. In the performance of our duties, we noted that:

a. The individual and consolidated Balance Sheet, Income Statement by Nature of Expense, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and corresponding Accompanying Notes allow an adequate understanding of the financial position of the company, its results, its comprehensive income, changes in equity and cash flows;

b. The accounting policies and valuation criteria adopted are in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and are adequate to ensure that they lead to a correct assessment of assets and results, and the analyses and recommendations issued by the external auditor have been followed up;

c. The Individual and Consolidated Management Reports sufficiently clarify the development and situation of the company’s business, providing clear evidence in relation to the most significant aspects of its activity.
5. We are of the opinion that the proposal for the distribution of profits presented by the Board of Directors does not contravene the applicable legal and statutory provisions.

6. Therefore, taking into account the information received from the Board of Directors and Company

Report and Opinion of the Supervisory Board

Bondalti Capital, SA

2023 Financial Year

- Departments and the conclusions contained in the Statutory Auditor’s Report, we are of the opinion that:
- a. The Individual and Consolidated Management Report should be approved;

b. The individual and consolidated Financial Statements should be approved;

c. The proposal for the distribution of profits, in the amount of 50,721,033.38 euros (fifty million seven hundred and twenty-one thousand and thirty-three euros and thirty-eight cents), as presented by the Board of Directors, should be approved.
7. Finally, the members of the Supervisory Board express their acknowledgement and gratitude for the collaboration provided to the Board of Directors, key managers and other employees of the Company, as well as the Statutory Auditor and External Auditor.

Lisbon, 15 May 2024.

Chair of the Supervisory Board

Dr Maria do Rosário Mayoral Robles Machado Simões Ventura

Voting Member

Dr José Miguel Tavares Mora do Vale

Voting Member

Professor Romualdo Luís Ribera Salcedo

GRI Standard Indicators

Statement of use:	Bondalti reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
Report according to:	GRI 1: Fundamentals 2021
Applicable GRI sector standard(s):	Not Applicable

GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION
2-1	Organisation details	Page 134 Lagoas Park, Porto Salvo
2-2	List of all entities included in the organisation’s sustainability report	Pages 13, 134 Lagoas Park, Porto Salvo
2-3	Period covered by the report, frequency and contact	Page 134 Activity in 2023, which began on 1 January 2023 and ended on 31 December 2023.
2-4	Information reformulations	<p>Changes to indicators</p> <p>GRI 2-8: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 2-21: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 202-1: For the Industrial Chemicals business area, the ratio was reformulated taking into account the different geographical regions of the business operation in Spain. In general, from 2023 onwards, this indicator will include the Bondalti Water Solutions business area.</p> <p>GRI 302-1: In the 2023 report, a clarification was made regarding the scope of this indicator, since for the Industrial Chemicals business, only the production process was being considered and not the entire energy consumption of the organisation.</p> <p>GRI 302-3: The calculation of energy intensity was revised to include accounting for the Turnover of each business.</p> <p>GRI 303-2: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 303-3: For the Industrial Chemicals business area, in 2023, this indicator was presented in a consolidated manner.</p> <p>GRI 303-5: The calculation of water intensity was revised to include accounting for the Turnover of each business.</p> <p>GRI 305-3: The reporting scope of this indicator has been expanded to include all categories of scope 3 emissions.</p> <p>GRI 305-4: The calculation of carbon intensity was revised for both reported business areas, to include the accounting of Industrial Chemicals Turnover.</p> <p>GRI 305-7: The reporting scope of this indicator was expanded to include heavy metal emissions for the Industrial Chemicals business area.</p> <p>GRI 401-1: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 401-3: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 403-1 to 403-7: From 2023 onwards, Bondalti started to report these indicators in a consolidated manner by business unit.</p> <p>GRI 405-2: In 2023, this indicator was revised in order to fully respond to the GRI Standard requirement, i.e., to create the ratio considering salary and remuneration. In addition to this change, from 2023 onwards, the scope of this indicator was expanded to include the Bondalti Water Solutions business area.</p> <p>GRI 417-1: In 2023, this indicator was revised to meet the GRI Standard requirement.</p> <p>Structural changes</p> <p>In the 2023 report, the GRI table was revised in accordance with the GRI Standard requirement to include material topics.</p>

GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION			
2-5	External verification	Page 249			
2-6	Activities, value chain and other business relationships	Pages 12, 14-27, 39-46, 61-64			
		</			

GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION					
2-8	Staff members who are not employees	INDUSTRIAL CHEMICALS			WATER TREATMENT		
			2022	2023		2022	2023
		Staff members who are not employees	2	4	Staff members who are not employees	-	13
		Men	2	2	Men	-	11
	Women	0	2	Women	-	2	
		This indicator considers staff members who do not have a direct contractual relationship with the organisation, but whose work is controlled by the organisation.					
2-9	Organisation governance structure and composition	Pages 28-36					
2-10	Appointment and selection of the highest governing body	Page 30					
2-11	Chair of the highest governing body	Pages 30-31					
2-12	Role of the Chair of the Board of Directors in impact management	Pages 30, 34					
2-13	Delegation of responsibility for impact management	Pages 28-36					
2-14	Role of the highest governing body in sustainability reporting	Pages 30-31					
2-15	Conflicts of interest	Code of Ethics (www.bondalti.com)					
2-16	Communicating about crucial concerns	Pages 28-30, 34-36					
2-17	Collective knowledge of the highest governing body	Message from the Chairman Pages 4-7, 28-36					

GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION																			
2-18	Assessment of the performance of the highest governance body	Page 34																			
2-19	Remuneration policies	<p>Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the General Meeting of shareholders.</p> <p>The remuneration of directors and other employees of Bondalti is the responsibility of the Executive Board. For the other categories, remuneration is determined based on the applicable collective labour regulation instrument.</p> <p>The remuneration must include a fixed component that aims, within the framework of the respective competencies and responsibilities, to adequately remunerate the effort and work carried out throughout the exercise of each respective mandate, applicable to the executive and non-executive members of the Board of Directors, and a variable component to be awarded to executive members with the aim of rewarding them for the Company’s performance.</p>																			
2-20	Process for determining remuneration	<p>Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the General Meeting of shareholders.</p> <p>The definition and application of the criteria underlying the setting of Directors’ remuneration entrusted to the Remuneration Committee must be coherent and homogeneous, taking into account, on the one hand, the level of remuneration paid in similar European companies and, on the other, the degree of strategic objectives defined by Bondalti, the creation of value for shareholders and the economic cycle.</p> <p>The remuneration of directors and other employees of Bondalti is the responsibility of the Executive Board. For the other categories, remuneration is determined based on the applicable collective labour regulation instrument.</p>																			
		<table><tr><th colspan="2">INDUSTRIAL CHEMICALS</th><th colspan="2">BWS AEMA</th></tr><tr><th colspan="2">2023</th><th colspan="2">2023</th></tr><tr><td colspan="2">Proportion of total annual remuneration</td><td colspan="2">Proportion of total annual remuneration</td></tr><tr><td colspan="2">6.99</td><td colspan="2">3.68</td></tr></table>				INDUSTRIAL CHEMICALS		BWS AEMA		2023		2023		Proportion of total annual remuneration		Proportion of total annual remuneration		6.99		3.68	
INDUSTRIAL CHEMICALS		BWS AEMA																			
2023		2023																			
Proportion of total annual remuneration		Proportion of total annual remuneration																			
6.99		3.68																			
2-21	Proportion of total annual remuneration	<p>Note: The values presented exclude the corporate bodies</p> <p>For the calculation of this indicator, the contractual values of fixed remuneration for the total number of active employees on 31/12/2023 and variable remuneration effective in 2023 were considered.</p> <p>Proportion of total annual remuneration = Total annual remuneration of the highest paid individual / Median annual remuneration of employees, excluding the highest paid.</p> <p>Reason for omission: Information not available/incomplete</p> <p>To calculate Bondalti Water’s remuneration proportion, only the subsidiary AEMA was considered since Enkrott does not currently have a system that allows the extraction of data in order to determine the proportion, in accordance with requirement 2-21 of the GRI. Bondalti is currently working on a methodology to respond to this type of indicator.</p>																			
2-22	Statement on the sustainable development strategy	Pages 4-7																			

GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION
		Pages 52-55, 96-102, 126-132
2-23	Policy commitments	Code of Ethics (www.bondalti.com); Code of Conduct for Suppliers (www.bondalti.com). Bondalti takes an active approach to managing financial, operational, property, environmental and hygiene and safety risks based on the precautionary principle. Through this principle, the company seeks to minimise the potential adverse effects associated with these risks.
2-24	Implementation of the commitments assumed	Pages 52-55, 96-102, 126-132, 208-248
2-25	Processes to remedy negative impacts	Pages 34, 42-43, 96-107
2-26	Mechanisms for seeking advice and raising concerns	Pages 34-36, 47-48 Code of Ethics (www.bondalti.com); Code of Conduct for Suppliers (www.bondalti.com).
2-27	Compliance with laws and regulations	In 2023, in the Water Treatment area, there were no non-conformities in this regard at Bondalti. In the area of Industrial Chemicals, a fine of €12 000 was imposed for negligent non-compliance with the REACH Regulation, due to inconsistency between the classification indicated in the safety data sheet and in the chemical safety report, which resulted from a simple oversight in the administrative updating of the documentation. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
2-28	Main memberships of sectoral organisations	www.bondalti.com
2-29	List of organisation stakeholder groups	Pages 42-43
2-30	Collective bargaining agreements	All employees of the Bondalti Chemicals Group and 47% of the Bondalti Water Solutions Group are covered by Collective Labour Contracts or Agreements. Members of management were excluded from the headcount.

GRI Standard Indicators

MANAGEMENT APPROACH		RESPONSE / LOCATION / OMISSION
3-1	Process of determining material topics	Pages 39-42
3-2	List of material topics	Pages 41-42
SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
Material Topics: Innovation		
3-3	Management of material topics	Innovation - Continuous promotion of innovation, particularly investment in cutting-edge technology. Pages 65-75
Material Topics: Financial performance		
3-3	Management of material topics	How economic, social and environmental issues support investment decisions, acquisitions and business relationships, as well as ensuring the best possible return for shareholders in the long term. Pages 57-60, 135-205
201-1	Direct economic value generated and distributed	(M€)
		202120222023Δ (abs)Δ (%)
		Economic value generated
		Revenues453610525-4-1%
		Distributed economic value
		Operating costs-365-468-38521-5%
		Salaries and benefits-28-36-40-516%
		Payments to capital providers-16-14-38-74%
		Payments to the State-0.50-0.54-0.5503%
		Investments in the community-1.60-2.29-2.37014%
		Accumulated economic value4289951926%
To calculate the variation, the difference between 2023 and the three-year average was determined.		

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
201-4	Financial assistance received from government	In 2023, Bondalti received € 2 570 868 in State subsidies.
203-1	Infrastructure investments and services supported	Pages 109-127 Within the scope of the RSC, in 2023, 2.367 million euros were invested in the community, of which 1 million euros were invested in the Portuguese Catholic University to support the construction of a new building for the installation of the Católica Lisbon School of Business and Economics and an administrative building, and 450 thousand euros in the Mafalda de Mello Association.
203-2	Significant indirect economic impacts	Pages 109-127
Material Topics: Ethics, Transparency and Anti-corruption		
3-3	Management of material topics	Management of the business with the highest levels of integrity and compliance with the law, preventing the practice of wrongful acts. Page 90
204-1	Proportion of spending on local suppliers	INDUSTRIAL CHEMICALS
		202120222023
		Operations in Portugal
		Local suppliers629673705
		% Local suppliers76%75%74%
		Purchases from local suppliers (€)123 886 788149 021 61099 522 766
		% Purchases from local suppliers37%34%31%
		Operations in Spain
		Local suppliers251277284
		% Local suppliers73%76%77%
		Purchases from local suppliers (€)21 821 83633 015 31323 565 232
		% Purchases from local suppliers83%64%55%

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION			
205-1	Operations assessed for risks related to corruption	WATER TREATMENT			
		202120222023			
		Operations in Portugal			
		Local suppliers	415	439	475
		% Local suppliers	82%	80%	80%
		Purchases from local suppliers (€)	3 881 536	4 571 654	5 910 471
		% Purchases from local suppliers	51%	48%	50%
		Operations in Spain			
		Local suppliers	916	828	740
		% Local suppliers	97%	97%	96%
		Purchases from local suppliers (€)	9 667 304	14 364 689	12 147 414
		% Purchases from local suppliers	96%	90%	98%
		Operations in Angola			
		Local suppliers	92	101	123
		% Local suppliers	99%	100%	100%
		Purchases from local suppliers (€)	534 564	677 106	456 745
		% Purchases from local suppliers	99%	100%	100%
		Pages 62-64			
		Bondalti’s main operations are located in Portugal, Spain and Angola, considering local suppliers to be those located in these geographies.			
		There were no reports regarding risks related to corruption in 2023. In accordance with current legislation, Bondalti began the process of developing and formally adopting its reporting channel during 2023, and it became available in the first quarter of 2024. In this way, it became possible to make confidential reports in the field of corruption, in addition to the topics provided for under Article 2 of Law 93/2021, of 20 December. During 2023, we worked on Bondalti’s Corruption and Related Offences Risk Prevention Plan for the 2023-2026 time frame, which was published in February 2024.			

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION		
205-2	Communication and training in anti-corruption policies and procedures	EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING	2022	2023
		Director	0	1
		Deputy Director	2	0
		Coordinator	4	1
		Technical Staff	37	23
		Administrative Technicians	0	4
		Officer	0	0
		Supervisor	1	1
		Coordinating functional technician	0	0
		Functional technician	5	1
		Operational technician	21	13
		Total	70	44
The values reported for this indicator relate only to Bondalti Chemicals, including Bondalti Capital. After the new Code of Ethics and Conduct was made available, it was shared with all Bondalti employees. www.bondalti.com				
205-3	Confirmed incidents of corruption and actions taken	In 2023, there were no indicents of corruption and there was no need to identify actions. Bondalti has a Code of Ethics, which includes the Ombudsman Regulation. These documents are available on the Bondalti intranet and website. The “Code of Ethics” training is made available to all employees, in an e-learning format, on the 4Learn platform, with attendance being mandatory. This training is also mandatory for all new employees and is carried out at the admission and induction stage. The Bondalti Code of Ethics demonstrates the company’s commitment to acting in all circumstances with high ethical standards and integrity, at all times respecting the rights of its stakeholders. In order to guarantee prompt compliance with the Code of Ethics, Bondalti, represented by its Ombudsman, undertakes to diligently investigate all reports of improper conduct, such as breaches of the law, regulations or company policies and procedures. The investigations shall be conducted in a respectful, confidential and fair manner, following the procedure of the Ombudsman, as described in the respective Regulation. Whenever deemed necessary to fully comply with its functions and pursue its objectives, the Ombudsman shall take action in conjunction with Bondalti’s corporate bodies, committees and structures, specifically the Executive Board of the company and with its departments, to the extent of the powers delegated to them. All staff members, shareholders, customers, suppliers and service providers may request clarifications from the Bondalti Ombudsman via the email address etica@bondalti.com or through the reporting channels provided for the purpose (intranet form).		

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
		<p>In 2023, Bondalti began the process of reviewing its Code of Ethics, published in the first quarter of 2024, in order to include the changes necessary to comply with the obligations set out in the General Framework for the Prevention of Corruption (RGPC) and the Protection of Whistleblowers Reporting Violations of European Union Law (LPD).</p> <p>After this review, the Code of Ethics began to include all Bondalti group companies in Portugal and Spain.</p>
417-2	Incidents of non-compliance concerning product and service information and labelling	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
417-3	Incidents of non-compliance concerning marketing communications	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
Material Topics: Circularity and resource efficiency		
3-3	Management of material topics	<p>Prioritising and promoting the circularity of resources used.</p> <p>Page 99</p>
<div>Consumption of raw materials in Industrial Chemicals (t)</div> <div><div>Δ ● 16 751</div><div>2023 ● 569 977</div><div>2022 ● 547 343</div><div>2021 ● 542 359</div></div>		
301-1	Materials used by weight or volume	<p>To calculate the variation, the difference between 2023 and the three-year average was determined.</p> <p>In Industrial Chemicals, various raw materials are consumed, including: Benzene, Hydrogen, Ammonia, Salt, Sulphuric Acid, Brine, Sodium Hydrogen Sulphite and Cellulose.</p> <p>At the moment, it is not possible to carry out this type of calculation for Bondalti Water Solutions, due to the current information collection system. Bondalti Water Solutions is currently, together with the Supply Chain, working on a way to improve this control.</p>
301-2	Recycled input materials used	<p>Not applicable, due to the type of materials that are consumed.</p> <p>At Bondalti, only materials of virgin origin are used, in order to avoid product non-conformities, thus guaranteeing product quality and safe delivery.</p>

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION											
301-3	Reuse of products and packaging materials	Industrial Chemicals: The only product reused in the Industrial Chemicals business area was Sulphanilic Acid, with an amount of 3.7%. Water Treatment: At BWS, there is no reuse of products and packaging.											
Material Topics: Energy management													
3-3	Management of material topics	Reducing consumption and improving energy efficiency. Pages 103-104											
302-1	Energy consumption within the organisation	INDUSTRIAL CHEMICALS (GJ)			2021	2022	2023	WATER TREATMENT (GJ)		2021	2022	2023	
		Energy purchased						Energy purchased					
		Diesel oil			831	5 401	4 865	Fuel from non-renewable sources			7 935	8 470	9 279
		Natural gas			422 434	403 005	420 541	Fuel from renewable sources			0	0	0
		Electrical energy			1 573 812	1 610 861	1 653 217	Electrical energy			1 002	1 008	941
		Energy produced						Renewable electrical energy			0	0	0
		Consumed			654 015	610 810	677 384	Total energy consumed			8 938	9 478	10 220
		Sold			5 161	4 028	4 275						
		Self-consumption			0	1 475	10 770						
		Total energy consumed*			2 651 092	2 631 552	2 766 777						
		Total consumption from renewable sources			0	477 827	659 940						
					* Total energy consumption does not include energy from renewable sources.								
		Page 103											
		Bondalti Chemicals produces energy in the form of steam, through the use of exothermic reactions in its chemical production processes, with part of the energy produced being consumed internally and the other part being sold.											
		The energy consumed from diesel oil does not include the consumption of this fuel in the dedicated transport of some raw materials, as it is not yet possible to collect this information in an exact and verifiable way. It is planned to include this information in the next reporting period.											
		BWS AEMA produces renewable energy from solar sources, which is sold in full.											
		At BWS Enkrott, only the consumption of Enkrott - Gestão de Tratamiento de Águas, SA was considered.											
		Gasoline (GJ) = (Litres of Petrol x LHV ⁽¹⁾ x Density) / 10 ³											
		Diesel (GJ) = (Litres of Diesel Oil x LHV ⁽¹⁾ x Density) / 10 ³											
		Natural gas (GJ) = m³N x LHV ⁽¹⁾ / 1 000											
		Electrical energy (GJ) = KWh x 3.6 x 10 ⁻³											
		⁽¹⁾ LHV (Lower Heating Value) - Portugal: APA National Inventory Spain: Ministry for ecological and demographic transition.											

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
302-2	Energy consumption outside the organisation	<p>Reason for omission: Information not available 302-2 a), 302-2 b) and 302-2 c)</p> <p>It is not yet possible to account for energy consumption outside the organisation. However, Bondalti considers this energy consumption to be relevant, as it represents a large part of its scope 3 emissions.</p>
302-3	Energy intensity	<p>Industrial Chemicals: To calculate energy intensity, purchased electricity, natural gas and steam are considered as material. Energy intensity = Purchased energy (GJ) / Turnover (M€)</p> <p>In Industrial Chemicals, in 2023, energy intensity stood at 4 449.76 GJ/M€.</p> <p>Water Treatment: To calculate energy intensity, the vehicles’ diesel consumption and purchased electricity are considered. Energy intensity = Purchased energy (GJ) / Turnover (M€)</p> <p>In Water Treatment, in 2023, energy intensity stood at 292.03 GJ/M€.</p>
302-4	Reduction of energy consumption	<p>Industrial Chemicals: In 2023, in Industrial Chemicals, more specifically at the Estarreja site, a total of 92 549 GJ of energy was saved, associated with a process to reactivate the 9 electrolyzers, starting in 2019 and ending in 2023. The new type of cathodes made it possible to reduce overvoltage by around 100mV, which corresponds to approximately 3% of electrochemical energy consumption. This reduction was also due to the optimisation of the rich effluent treatment load according to the MNB unit regime. At the Cantabria site, there was a reduction of 930 GJ resulting from the installation of an inverter in the Chlorine compressor and the replacement of exchangers with more efficient ones.</p> <p>Water Treatment: In the Water Treatment area, at BWS Enkrott, there was a reduction of 66 GJ compared to the previous year, resulting from better use of HVAC systems in offices and the use of hot equipment in the production unit, as well as milder temperatures during winter. At BWS AEMA, it is considered that there was no energy reduction since total fuel consumption increased. The fact that the customer portfolio increased and, consequently, production also increased, should be taken into account.</p>
302-5	Reductions in energy requirements of products and services	<p>Not applicable, due to the type of products and services that Bondalti sells.</p> <p>Energy is a raw material in one of the main products sold by Bondalti.</p>
Material Topics: Water resources and waste management		
3-3	Management of material topics	<p>Responsible management of resources, particularly water.</p> <p>Page 105</p>

GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
303-1 Interactions with water as a shared resource	<p>Page 105</p> <p>Bondalti Chemicals collects the water it uses in its operations on the Antuã River, in boreholes and wells, in accordance with the usage licences stipulated by the competent entity. Consumption at each collection point is controlled using flow measurement devices/meters, with the information completed monthly on the APA's SILIAMB platform and reported annually on the ARH Portal. The water withdrawn is consumed in industrial activity after being treated at the Water Treatment Plant, where it goes through a filtration process, followed by flocculation / decantation treatment, with the removal of the sludge resulting from clarification of the water. For some uses, demineralised water is required, which is produced at a demineralisation plant in ion exchange columns. Industrial effluents resulting from industrial activity are discharged into a multi-municipal receiving stream managed by the AdRA. Rainwater effluents are discharged directly into the water environment.</p> <p>Bondalti Cantabria collects the water it uses in its production processes from Solvay, mainly clarified and demineralised water. Monitoring of water consumed (clarified and demineralised) is carried out monthly using a flow measurement device. Effluent monitoring is also carried out monthly using a flow measurement device. The effluent (brine) is treated by a physical and chemical dechlorination process before being sent to Solvay, which then sends it for final treatment.</p>
303-2 Management of water discharge-related impacts	<p>Industrial Chemicals</p> <p>At Bondalti Chemicals, water discharge-related- impacts are considered as follows:</p> <p>PAD</p> <p>pH: 5.5 - 9.5 with continuous monitoring</p> <p>TOC: ≤400 mg/L with continuous monitoring</p> <p>Total Suspended Solids (TSS): ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Nitrates: ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Sulphates: ≤2000 mg/L weekly analysis in an external laboratory</p> <p>Total nickel: ≤2 mg/L quarterly analysis in an external laboratory</p> <p>Nitrites: ≤30 mg/L quarterly analysis in an external laboratory</p> <p>Note: parameters and exposure limit values (ELV) defined in the authorisation licence for the discharge of industrial wastewater from the AdRA, dated 24 November 2015. Continuous flow monitoring at the ED1 discharge point, in accordance with Environmental Licence 52/1.0/2017, of 14 July 2017.</p> <p>PCA</p> <p>pH: 5.5 - 9.5 with continuous monitoring</p> <p>Biochemical Oxygen Demand (BOD5): ≤500 mg/L fortnightly analysis in an external laboratory</p> <p>Chemical Oxygen Demand (COD): ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Total Suspended Solids (TSS): ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Sulphates: ≤2000 mg/L weekly analysis in an external laboratory</p> <p>Chlorides: No ELV. Monthly analysis in an external laboratory</p> <p>Chlorates: No ELV. Monthly analysis in an external laboratory</p> <p>Note: parameters and ELV defined in the authorisation licence for the discharge of industrial wastewater from the AdRA, dated 24 November 2015.</p>

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION					
		<p>Continuous flow monitoring at discharge point ED2.</p> <p>Note: parameters defined under Environmental Licence 52/1.0/2017, of 14 July 2017. Free Chlorine: ≤0.2 mg/L, according to the BREF-CAK document - MTD Conclusions, dated 9 December 2013.</p> <p>At Bondalti Cantabria, the requirements for AAI discharge are: 0.2 mg/L Cl₂ in spot samples, once a month. Bondalti Cantabria is committed to guaranteeing the characteristics of the wastewater it sends to Solvay:</p> <p>Mean flow: 58 m³/h</p> <p>Peak annual flow: 485 000 m³/h/a</p> <p>Peak image flow: 100 m³/h</p> <p>Complying with the limits of the seller’s IPPC licence, except for the pH in the discharge of effluents to the WWTP, which will be greater than 4 and less than 10. Installation of an effluent pre-treatment unit on its premises, with outlet to the WWTP, this point being defined for quality and quantity measurement and control.</p> <p>Water Treatment</p> <p>The water is discharged into a municipal discharge system. It is sanitary water. In the case of water resulting from tests, it is clean water, but these discharges are small and not systematic.</p>					
303-3	Water withdrawal	INDUSTRIAL CHEMICALS (ML)			WATER TREATMENT (ML)		
		2021	2022	2023	2022	2023	
		Water withdrawn			Water withdrawn from the public supply network		
		Surface water – River	2 737	2 603	2 724	2.52	2.93
		Groundwater – Boreholes	29	52	71		
		Groundwater – Wells	0	0	0		
		Third-party water	253	268	262		
		Total water withdrawn	3 019	2 923	3 057		
		<p>Although no analysis is carried out on the water withdrawn, it is considered fresh.</p> <p>Water from the public supply network is being counted as third-party water.</p> <p>Fresh water ≤1000 mg/L Total Dissolved Solids</p> <p>Non-fresh water >1000 mg/L Total Dissolved Solids</p>					
		<p>Reason for omission: Information not available/incomplete</p> <p>303-3 b) Water withdrawn in areas of water stress</p> <p>Bondalti carried out a superficial analysis of the areas of water stress but is still working on producing more comprehensive information. At this moment, Bondalti does not have a response for implementing adaptation and mitigation measures.</p>					

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION										
303-4	Discharges of water	INDUSTRIAL CHEMICALS (ML)			2021	2022	2023	WATER TREATMENT (ML)			2022	2023
		Water discharged			1 026	1 080	1 161	Water discharged			2.52	2.93
		Information defined in indicator 303-5. All of the water discharged by Bondalti is considered fresh. Fresh water ≤1000 mg/L Total Dissolved Solids Non-fresh water >1000 mg/L Total Dissolved Solids Reason for omission: Information not available/incomplete 303-4 c) Water discharged in areas of water stress Bondalti carried out a superficial analysis of the areas of water stress but is still working on producing more comprehensive information. At this moment, Bondalti does not have a response for implementing adaptation and mitigation measures.										
303-5	Water consumption	INDUSTRIAL CHEMICALS (ML)			2021	2022	2023					
		Water										
		Consumed			2 086	1 988	2 287					
		Sold			918	917	752					
		Water Intensity (ML/t)			0.00115	0.00112	0.00124					
		Water Intensity (ML/M€)			4.95	3.56	4.89					
In Water Treatment there is no water consumption, since all water withdrawn (GRI 303-3) is discharged (GRI 303-4).												
Page 105												
To calculate water intensity, only water consumed in industrial activity is considered as material. Water Intensity = Total Water Consumed (ML) / Total Production (t)												
Reason for omission: Information not available/incomplete 303-5 b) Water consumed in areas of water stress Bondalti carried out a superficial analysis of the areas of water stress but is still working on producing more comprehensive information. At this moment, Bondalti does not have a response for implementing adaptation and mitigation measures.												

GRI Standard Indicators

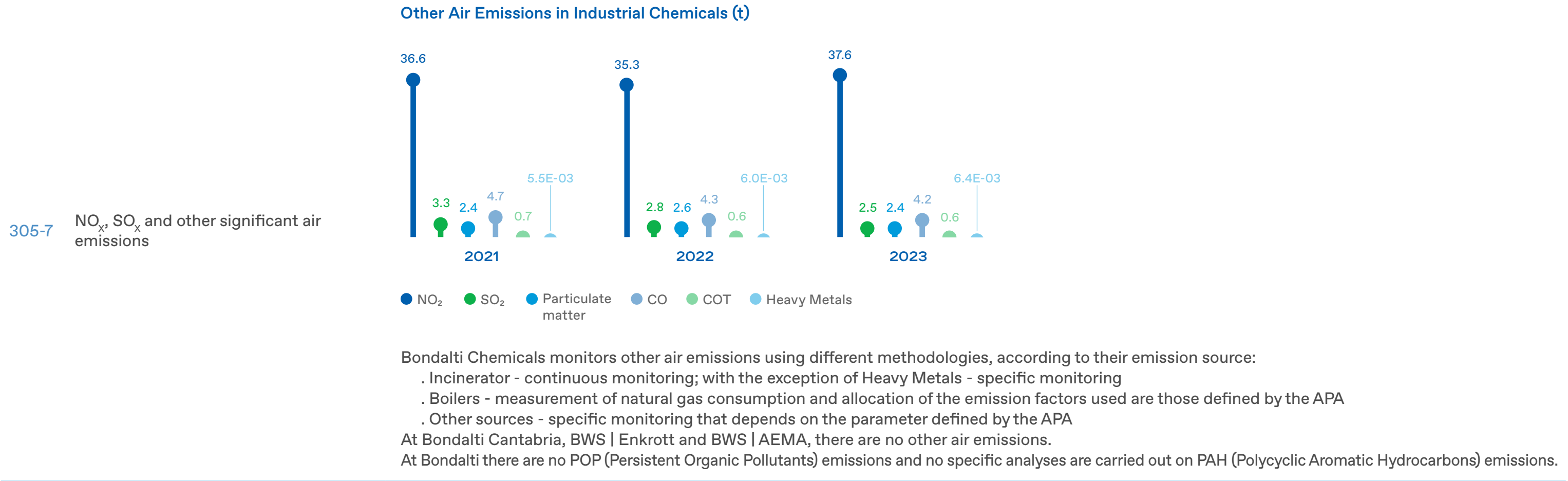
SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
Material Topics: Climate change and emissions management		
3-3	Management of material topics	<p>Management of emissions associated with the entire business and operations, ensuring their minimisation.</p> <p>Pages 99-102</p>
305-1	Direct Greenhouse Gas Emissions (Scope 1)	<p>Pages 100-101</p> <p>There are no biogenic emissions at Bondalti.</p> <p>Bondalti Chemicals has CO₂ and N₂O emissions managed by operational control.</p> <ul style="list-style-type: none">. CO₂ from natural gas and diesel consumption - calculation-based methodology. Incinerator CO₂ - measurement-based methodology. N₂O from nitric acid production - measurement-based methodology <p>Scope 1 emissions are calculated according to the methodology established by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard and emission factors from the IPCC and DEFRA are used.</p> <p>In the case of reporting scope 1 emissions, namely diesel consumption, emissions relating to diesel consumed in the dedicated transport of raw materials are considered, as it is estimated based on the kilometres travelled during the year and the respective emission factor is applied.</p> <p>BWS Enkrott recorded a total of 324 t CO₂ eq and the BWS AEMA a total of 358 t CO₂ eq. Emission Factors - Portugal: APA National Inventory and European Commission Regulation R601/2012 Spain: Ministry for ecological and demographic transition</p>
305-2	Direct Emissions of Greenhouse Gases GHG (Scope 2)	<p>Pages 100-101</p> <p>Bondalti has indirect CO₂ emissions, managed by operational control. To calculate these emissions, purchased electrical energy is considered as material. The Industrial Chemicals area recorded a total of 63 256 t CO₂ eq for the Market-based category, and 99 089 in the Location-based category.</p> <p>Scope 2 emissions are calculated according to the methodology established by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard. The quantification of scope 2 emissions is carried out according to two different calculation methods: i) <i>market-based</i>: calculation based on the emission factors associated with the energy mix of the suppliers from whom Bondalti purchases electricity; ii) <i>location-based</i>: calculation based on emission factors associated with Portugal’s energy mix.</p> <p>For the AEMA Group, the emission factor corresponding to the mix of suppliers in Spain was considered.</p> <p>BWS Enkrott recorded a total of 40 t CO₂ eq and BWS AEMA a total of 33 t CO₂ eq.</p>

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION																																																																																			
305-3	Other Indirect (Scope 3) GHG Emissions	Page 100																																																																																			
		Bondalti monitored its scope 3 emissions for the first time in all categories in the Industrial Chemicals area. Scope 3 emissions are calculated according to the methodology established by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, in particular the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.																																																																																			
		<table><tr><th>SCOPE 3 EMISSIONS IN INDUSTRIAL CHEMICALS (t CO₂ eq)</th><th>2021</th><th>2022</th><th>2023</th><th>Δ (%)</th></tr><tr><td>Category 1: Goods and Services</td><td>572 895</td><td>525 306</td><td>526 181</td><td>1%</td></tr><tr><td>Category 2: Capital Goods</td><td>4 644</td><td>4 644</td><td>3 728</td><td>50%</td></tr><tr><td>Category 3: Activities related to fuel and energy (not included in Scopes 1 and 2)</td><td>28 553</td><td>25 819</td><td>26 228</td><td>30%</td></tr><tr><td>Category 4: Transport and distribution</td><td>23 100</td><td>22 719</td><td>19 252</td><td>-32%</td></tr><tr><td>Category 5: Waste generated</td><td>364</td><td>430</td><td>751</td><td>-1%</td></tr><tr><td>Category 6: Business travel</td><td>27</td><td>164</td><td>359</td><td>0%</td></tr><tr><td>Category 7: Mobility (employee travel)</td><td>710</td><td>708</td><td>380</td><td>0%</td></tr><tr><td>Category 8: Leased assets</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Category 9: Transport and distribution</td><td>1 878</td><td>2 564</td><td>2 953</td><td>20%</td></tr><tr><td>Category 10: Processing of goods sold</td><td>444 551</td><td>403 554</td><td>387 336</td><td>94%</td></tr><tr><td>Category 11: Use of goods sold</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Category 12: Treatment and end of life of products sold</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Category 13: Leased assets</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Category 14: Franchising</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Category 15: Investments</td><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td></tr></table>				SCOPE 3 EMISSIONS IN INDUSTRIAL CHEMICALS (t CO ₂ eq)	2021	2022	2023	Δ (%)	Category 1: Goods and Services	572 895	525 306	526 181	1%	Category 2: Capital Goods	4 644	4 644	3 728	50%	Category 3: Activities related to fuel and energy (not included in Scopes 1 and 2)	28 553	25 819	26 228	30%	Category 4: Transport and distribution	23 100	22 719	19 252	-32%	Category 5: Waste generated	364	430	751	-1%	Category 6: Business travel	27	164	359	0%	Category 7: Mobility (employee travel)	710	708	380	0%	Category 8: Leased assets	n/a	n/a	n/a	n/a	Category 9: Transport and distribution	1 878	2 564	2 953	20%	Category 10: Processing of goods sold	444 551	403 554	387 336	94%	Category 11: Use of goods sold	n/a	n/a	n/a	n/a	Category 12: Treatment and end of life of products sold	n/a	n/a	n/a	n/a	Category 13: Leased assets	n/a	n/a	n/a	n/a	Category 14: Franchising	n/a	n/a	n/a	n/a	Category 15: Investments	n/a	n/a	n/a	n/a
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		To calculate the variation, the difference between 2023 and the three-year average was determined.																																																																																			
305-4	Carbon intensity	Pages 100-101																																																																																			
		To calculate carbon intensity, all categories of direct and indirect emissions are considered for Industrial Chemicals, and direct (scope 1) and indirect (scope 2) emissions for Water Treatment.																																																																																			
		Industrial Chemicals: Carbon intensity = Total direct and indirect GHG emissions (t CO ₂ eq) / Turnover (M€) In Industrial Chemicals, there was a carbon intensity value of 197.66 t CO ₂ eq/M€. The carbon intensity for the three areas of emissions was also determined, obtaining a value of 2 264.26 t CO ₂ eq/M€.																																																																																			
		Water Treatment: Carbon intensity = Total direct (scope 1) and indirect (scope 2) GHG emissions (t CO ₂ eq) / Turnover (M€) In Water Treatment there was a carbon intensity value of 21.56 t CO ₂ eq/M€.																																																																																			

GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
305-5 Reduction of Greenhouse Gas emissions	In 2023, Bondalti Chemicals saved 307 GJ of natural gas and electricity due to the implementation of energy efficiency measures. By allocating the emission factor, an overall reduction in CO ₂ emissions of 3 309 t CO ₂ eq is calculated. In the area of Water Treatment, there was no overall reduction in greenhouse gas emissions.
305-6 Emissions of ozone-depleting substances	Not applicable, due to the type of atmospheric emissions caused by Bondalti. GRI Indicator 305-7



Material Topics: Waste materials and hazardous materials management

3-3 Management of material topics	Management and adequate routing of waste from its origin to final destination, including collection, transport and treatment, by recovery or disposal, particularly hazardous waste. Pages 106-107
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GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
306-1	Waste generation and significant waste-related impacts	<p>Industrial Chemicals</p> <p>Hazardous waste: At Bondalti Chemicals, hazardous waste is mainly generated by the production of aniline and nitrobenzene and is mostly incinerated by the production of activated carbon resulting from the activity of sulphanilic acid, and by filtration of the process brine, although there are also other hazardous wastes, which are generated in smaller quantities, as a result of the maintenance and cleaning of equipment, such as oils, contaminated containers, absorbents, etc.</p> <p>At Bondalti Cantabria, these are mainly generated by the filtration of brine from the process that generates cellulose with chlorides, resins, activated carbon as hazardous waste, although there are also other hazardous wastes generated in smaller quantities as a result of the maintenance and cleaning of equipment, such as such as oils, contaminated packaging, absorbents, etc.</p> <p>Non-hazardous waste: At Bondalti Chemicals, non-hazardous waste is generated mainly from maintenance activities (scrap, plastic, etc.) and when receiving materials (cardboard boxes, wooden pallets, etc.). At Bondalti Cantabria, like at Bondalti Chemicals, non-hazardous waste is mainly produced from maintenance (scrap, plastic, etc.) and when receiving materials (cardboard boxes, wooden pallets, etc.).</p> <p>Water Treatment</p> <p>BWS Enkrott does not have waste input for its organisation’s production/services.</p> <p>Therefore, there are waste outputs that come from:</p> <ul style="list-style-type: none">i. Contaminated chemical packaging, in which only IBC are reused, after proper disinfection;ii. Non-compliant chemical products (due to contamination or having exceeded their expiry date);iii. Leftover plastics resulting from manufacturing processes and the production of non-conforming plastics, in which part of the leftovers are recyclable;iv. Filter loads, namely resins that cannot be regenerated or charcoal;v. Plastic and paper resulting from the company’s activity (cardboard boxes, packaging plastics);vi. Toners resulting from the company’s activities;vii. Lamps resulting from contracts and maintenance of the company’s facilities;viii. USW resulting from the company’s normal activity. <p>All treatment of this waste is carried out by licensed WMO (waste management operators), depending on the type of waste and associated EWC.</p> <p>At BWS AEMA, within the production and management process (EY M) of both AEMA and Aguas Rioja, the waste generated at the facilities is managed by the customer appropriately, with authorised waste managers, coincidentally in the companies in which we have integrated contracts, which we manage from our facilities. Laboratorios Alfaro produces waste from its analyses and this is managed appropriately. None of the waste is considered potentially hazardous, so its useful life is not considered relevant. E.g.: contaminated plastics, aerosols, chemical reagents, sludge mixtures, etc.</p>

GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
306-2 Management of significant waste-related impacts	<p>Industrial Chemicals</p> <p>At Bondalti Chemicals, waste is sent to a licensed operator with which the company has signed a waste management contract. Waste is classified in accordance with current legislation: each type of waste is assigned an EWC Code, with the disposal operation being agreed between Bondalti and the waste management operator. Internally, at Bondalti Chemicals’ facilities, only hazardous waste to be disposed of by incineration (without energy recovery) is treated. A portion of the non-conforming sulphanilic acid product is reincorporated into the process again.</p> <p>The waste monitoring process includes activities such as entering data into the SILIAMB (online) Platform, maintaining an internal global database, weighing each load of waste at Bondalti’s facilities and at the waste management operator, and the annual validation of internal data compared with the operators’ data.</p> <p>In Bondalti Cantabria operations, waste is sent to an agent who negotiates with the manager in charge of waste management. Waste is classified in accordance with current legislation.</p>
	<p>Water Treatment</p> <p>Due to the nature of its activity, BWS Enkrott does not produce large amounts of waste. However, whenever possible, all resulting waste is separated according to type, so that some can be recycled, such as, for example, plastic (packaging, PVC, PE, among others), paper/cardboard and contaminated packaging, among others. Enkrott does not generate biological waste.</p> <p>In order to avoid generating more waste (originating, for example, from materials/orders from suppliers), some packaging is reused (but in non-critical quantities).</p> <p>All waste is collected and treated by licensed waste management operators.</p> <p>Waste is classified in accordance with current legislation. Each type of waste is assigned an EWC Code, and the disposal operation is carried out by the waste management operator. The process of monitoring the waste generated is carried out on the SILIAMB platform and the waste is weighed at the waste management operators’ facilities.</p> <p>At BWS AEMA, waste is sent to an authorised operator with which the company has signed a waste management contract. Waste is classified in accordance with current legislation: each type of waste is assigned an EWC code and the disposal operation is agreed between the AEMA Group and the waste manager.</p> <p>The process of monitoring the waste generated includes activities such as entering data into the management system in agreement with the waste manager, maintaining a global internal database, weighing each load of waste at AEMA facilities and at the waste manager’s facilities, and the annual validation of internal data against the waste management operator’s data.</p>

GRI Standard Indicators

SPECIFIC INDICATORS			RESPONSE / LOCATION / OMISSION										
306-3	Waste generated	INDUSTRIAL CHEMICALS (t)						WATER TREATMENT (t)					
		2021	2022	2023	Δ (abs)	Δ (%)	2021	2022	2023	Δ (abs)	Δ (%)		
		Hazardous waste	18 343	16 592	18 470	668	4%	Hazardous waste	15.5	11.9	11.4	-1.5	-12%
		Recycled	179	365	373	68	22%	Recycled	14.4	9.5	8.5	-2.3	-21%
		Other type of recovery	0	87	80	24	43%	Other type of recovery	0.2	1.1	2.6	1.3	99%
		Incinerated	17 520	15 222	16 850	319	2%	Incinerated	0.0	0.0	0.0	0.0	0%
		Landfill	292	831	1 083	348	47%	Landfill	1.0	1.2	0.4	-0.5	-55%
		Other type of disposal	352	87	84	-91	-52%	Other type of disposal	0.0	0.0	0.0	0.0	0%
		Non-hazardous waste	292	470	232	-99	-30%	Non-hazardous waste	36.6	31.2	46.4	8.3	22%
		Recycled	212	425	178	-93	-34%	Recycled	6.8	8.9	25.5	11.8	86%
		Other type of recovery	57	45	50	0	-1%	Other type of recovery	6.6	4.0	0.0	-3.5	-100%
		Incinerated	0	0	0	0	0%	Incinerated	9.7	4.5	3.9	-2.1	-35%
		Landfill	23	0	4	-5	-58%	Landfill	13.5	13.9	17.0	2.2	15%
		Other type of disposal	0	0	0	0	0%	Other type of disposal	0.0	0.0	0.0	0.0	0%
		Total waste produced	18 635	17 062	18 702	569	3%	Total waste produced	52.2	43.1	57.8	6.8	13%
		Pages 106-107											
		Enkrott África - Gestão e Tratamento de Águas, Lda is excluded from the scope of BWS Enkrott. To calculate the variation, the difference between 2023 and the three-year average was determined.											
		306-4	Waste diverted from disposal	GRI Index - Indicator 306-3									
		306-5	Waste directed to disposal	GRI Index - Indicator 306-3									
		Material Topics: Employee development and good labour practices											
		3-3	Management of material topics	Employee development, ensuring the attraction and training of talent and alignment with the organisation’s mission and values. Pages 80-89									

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage, at locations with the most significant activity	In the Bondalti Universe, all employees of the Bondalti Chemicals Group and 47% of the Bondalti Water Solutions Group are covered by Collective Labour Agreements (CCT) or Arrangements.					
		INDUSTRIAL CHEMICALS			WATER TREATMENT		
		2022	2023		2023		
		Portugal	1.01	1.05	Portugal	1.00	
		Spain (Galicia)	1.28	1.24	Spain (Catalonia)	2.96	
		Spain (Cantabria)	1.48	1.44	Spain (La Rioja)	1.19	
					Angola	2.18	
202-2	Proportion of senior management hired from the local community at significant locations of operation	Pages 30-34					
		Although Bondalti has its activity located, on a larger scale, in the Iberian Peninsula, all members of its Executive Management are Portuguese nationals. Thus, “local community” is understood as the country of the holding company, in this case, Portugal.					
401-1	Total number and rates of new employee hires and employee turnover	INDUSTRIAL CHEMICALS			WATER TREATMENT		
		2021	2022	2023	2023		
		Global at 31/12			Global at 31/12		
		New hires	30	40	56	New hires	51
		Leavers	21	25	30	Leavers	36
		Employees at 31/12	359	387	401	Employees at 31/12	351
		New hires rate	8.4%	10.3%	14.0%	New hires rate	14.5%
		Leaving rate	5.8%	6.5%	7.5%	Leaving rate	10.3%
		Turnover rate	7.1%	8.4%	10.7%	Turnover rate	12.4%
		Turnover rate			Turnover rate		
		Female	1.7%	3.2%	2.7%	Female	3.1%
		Male	5.4%	5.2%	8.0%	Male	11.4%
		South Portugal region	1.3%	1.6%	2.4%	South Portugal region	3.1%
		North Portugal region	5.8%	6.6%	7.6%	North Portugal region	0.9%
		Spain	0.0%	0.3%	0.7%	Spain	10.5%
		Female Gender: < 30 years	1.1%	1.0%	0.9%	Female Gender: < 30 years	1.7%
		Male Gender: < 30 years	0.6%	1.3%	3.2%	Male Gender: < 30 years	2.8%
		Female Gender: 30 - 50 years	1.3%	1.4%	1.5%	Female Gender: 30 - 50 years	1.4%
		Male Gender: 30 - 50 years	2.4%	2.5%	2.7%	Male Gender: 30 - 50 years	7.7%
		Female Gender: > 50 years	0.0%	0.8%	0.4%	Female Gender: > 50 years	0.3%
		Male Gender: > 50 years	1.8%	1.4%	2.0%	Male Gender: > 50 years	0.6%
Turnover Rate calculation formula: [(New hires year x + Leavers year x)/2] / Total Employees year x							

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION								
401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	In Industrial Chemicals, there are several benefits available to employees, such as health insurance, life insurance, Curative Medicine, Nutrition and Psychology consultations, gym allowances, holiday camp, school expenses and transport, among others, which accounted, in 2023, for €1 072 294 of expenses. According to the company in the Water Treatment business area, employees can benefit from health insurance, with a total of €152 251 in benefits for employees in 2023.								
401-3	Parental leave	INDUSTRIAL CHEMICALS			2021	2022	2023	WATER TREATMENT		2023
		Return to work rate						Return to work rate		
		Female Gender			100%	-	100%	Female Gender		100%
		Male Gender			100%	100%	100%	Male Gender		100%
		Retention rate						Employees who took parental leave		11
		Female Gender			44%	0%	100%	Female Gender		4
		Male Gender			61%	29%	80%	Male Gender		7
		Employees who took parental leave			20	22	34	Employees who returned to work after ending parental leave		11
		Female Gender			4	2	7	Female Gender		4
		Male Gender			16	20	27	Male Gender		7
		Employees who returned to work after ending parental leave			19	6	30	Employees who returned to work after ending parental leave and continue to be employed for at least 12 months		13
		Female Gender			4	0	6	Female Gender		3
		Male Gender			15	6	24	Male Gender		10
		Employees who returned to work after ending parental leave and continue to be employed for at least 12 months			19	6	30	Employees entitled to take parental leave		351
		Female Gender			4	0	6	Female Gender		106
		Male Gender			15	6	24	Male Gender		245
		Employees entitled to take parental leave			359	387	401			
		Female Gender			77	86	91			
		Male Gender			282	301	310			

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION																																																																																															
404-1	Average hours of training per year, per employee	<div><div>Average hours of training per employee Industrial Chemicals</div><table><tr><th>Year</th><th>Men</th><th>Women</th><th>Total</th></tr><tr><td>2021</td><td>96</td><td>18</td><td>79</td></tr><tr><td>2022</td><td>86</td><td>72</td><td>83</td></tr><tr><td>2023</td><td>95</td><td>77</td><td>91</td></tr></table></div> <div><div>Average hours of training per employee Water Treatment</div><table><tr><th>Year</th><th>Men</th><th>Women</th><th>Total</th></tr><tr><td>2021</td><td>13</td><td>14</td><td>13</td></tr><tr><td>2022</td><td>13</td><td>13</td><td>13</td></tr><tr><td>2023</td><td>14</td><td>17</td><td>15</td></tr></table></div> <div><div>Average hours of training per employee Industrial Chemicals</div><table><tr><th>Role</th><th>Hours</th></tr><tr><td>Management Consultant</td><td>0</td></tr><tr><td>Chairman of the Board of Directors</td><td>23</td></tr><tr><td>Manager</td><td>23</td></tr><tr><td>Director</td><td>59</td></tr><tr><td>Deputy Director</td><td>61</td></tr><tr><td>Coordinator</td><td>58</td></tr><tr><td>Technical Staff</td><td>87</td></tr><tr><td>Administrative Technicians</td><td>46</td></tr><tr><td>Officer</td><td>0</td></tr><tr><td>Supervisor</td><td>45</td></tr><tr><td>Production Shift Supervisor</td><td>0</td></tr><tr><td>Coordinating functional technician</td><td>28</td></tr><tr><td>Functional technician</td><td>39</td></tr><tr><td>Coordinating operational technician</td><td>29</td></tr><tr><td>Operational technician</td><td>158</td></tr><tr><td>Hours of training/Employee</td><td>91</td></tr></table></div> <div><div>Average hours of training per employee Water Treatment</div><table><tr><th>Role</th><th>Hours</th></tr><tr><td>Director</td><td>36</td></tr><tr><td>Coordinator</td><td>18</td></tr><tr><td>Manager</td><td>0</td></tr><tr><td>Technical Staff</td><td>4</td></tr><tr><td>Governing Body</td><td>0</td></tr><tr><td>Administrative Technicians</td><td>10</td></tr><tr><td>Officer</td><td>26</td></tr><tr><td>Supervisor</td><td>29</td></tr><tr><td>Coordinating functional technician</td><td>0</td></tr><tr><td>Functional technician</td><td>0</td></tr><tr><td>Operational technician</td><td>9</td></tr><tr><td>Accounting Officer</td><td>0</td></tr><tr><td>Hours of training/Employee</td><td>15</td></tr></table></div>	Year	Men	Women	Total	2021	96	18	79	2022	86	72	83	2023	95	77	91	Year	Men	Women	Total	2021	13	14	13	2022	13	13	13	2023	14	17	15	Role	Hours	Management Consultant	0	Chairman of the Board of Directors	23	Manager	23	Director	59	Deputy Director	61	Coordinator	58	Technical Staff	87	Administrative Technicians	46	Officer	0	Supervisor	45	Production Shift Supervisor	0	Coordinating functional technician	28	Functional technician	39	Coordinating operational technician	29	Operational technician	158	Hours of training/Employee	91	Role	Hours	Director	36	Coordinator	18	Manager	0	Technical Staff	4	Governing Body	0	Administrative Technicians	10	Officer	26	Supervisor	29	Coordinating functional technician	0	Functional technician	0	Operational technician	9	Accounting Officer	0	Hours of training/Employee	15	
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Accounting Officer	0																																																																																																
Hours of training/Employee	15																																																																																																
404-2	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<p>Pages 82-83, 94</p> <p>Bondalti Capital, Chemicals and Cantabria</p> <p>In the Bondalti Group (except the companies Enkrott and AEMA), the following measures are implemented:</p> <ul style="list-style-type: none">• Annual Training Plan• Provision of training content through the 4Learn knowledge management platform• Performance Management System focused on skills development• Talent management programme• Rejuvenation plan – ensuring the transfer of knowledge between younger and older people through:<ul style="list-style-type: none">· 4x4 programme (for operational technicians), with the duration directed and depending on the production units to allocate the trainees, which guarantees the timely transfer of knowledge, through the training of new employees in the field and in the classroom;• Internal mobility, through the allocation of internal employees to open positions (internal/external recruitment) as well as through functional flexibility, where employees are given the possibility to acquire new skills and take on new industrial positions (this functional flexibility is still very much aimed at operations).																																																																																															

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION																												
		<p>Water Treatment</p> <p>In the companies BWS Enkrott PT Continental and Spain, there is an annual training plan (Skills Development Plan). For the entire AEMA Group, there is a training plan (in Quality, Environment, PRL and various needs, according to each department), agreed with Management and Human Resources and the heads of each department.</p>																												
404-3	Percentage of employees receiving regular performance and career development reviews	<p>Employees assessed Industrial Chemicals</p> <table><thead><tr><th>Year</th><th>Men</th><th>Women</th><th>Total</th></tr></thead><tbody><tr><td>2021</td><td>85%</td><td>88%</td><td>86%</td></tr><tr><td>2022</td><td>89%</td><td>75%</td><td>86%</td></tr><tr><td>2023</td><td>85%</td><td>91%</td><td>87%</td></tr></tbody></table> <p>● Men ● Women ● Total</p>	Year	Men	Women	Total	2021	85%	88%	86%	2022	89%	75%	86%	2023	85%	91%	87%												
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2023	85%	91%	87%																											
<p>Employees assessed Industrial Chemicals</p> <table><thead><tr><th>Job Role</th><th>Percentage</th></tr></thead><tbody><tr><td>Management Consultant</td><td>0%</td></tr><tr><td>Director</td><td>100%</td></tr><tr><td>Deputy Director</td><td>100%</td></tr><tr><td>Coordinator</td><td>100%</td></tr><tr><td>Technical Staff</td><td>98%</td></tr><tr><td>Administrative Technicians</td><td>86%</td></tr><tr><td>Officer</td><td>0%</td></tr><tr><td>Supervisor</td><td>100%</td></tr><tr><td>Production Shift Supervisor</td><td>0%</td></tr><tr><td>Coordinating functional technician</td><td>100%</td></tr><tr><td>Functional technician</td><td>94%</td></tr><tr><td>Coordinating operational technician</td><td>67%</td></tr><tr><td>Operational technician</td><td>75%</td></tr><tr><td>Total employees</td><td>87%</td></tr></tbody></table>	Job Role	Percentage	Management Consultant	0%	Director	100%	Deputy Director	100%	Coordinator	100%	Technical Staff	98%	Administrative Technicians	86%	Officer	0%	Supervisor	100%	Production Shift Supervisor	0%	Coordinating functional technician	100%	Functional technician	94%	Coordinating operational technician	67%	Operational technician	75%	Total employees	87%
Job Role	Percentage																													
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<p>Members of management were excluded from the headcount. In the Bondalti Group (except the companies Enkrott and AEMA), the values presented refer only to performance assessment. A Performance Management System is not implemented at BWS.</p>																														
Material Topics: Employees' health and safety																														
3-3	Management of material topics	<p>Promoting the well-being of employees, providing them with working conditions that preserve their physical and mental health and safety.</p> <p>Pages 91-94</p>																												

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
403-1	Occupational Safety and Health Management System	<p>Industrial Chemicals</p> <p>Bondalti Chemicals has implemented and certified its Occupational Safety and Health Management System (OSHMS) under the ISO 45001:2018 Standard, in Estarreja (PAD, PCA) and in Parque de Aveiro, covering all its employees and activities.</p> <p>Bondalti Cantabria has implemented and certified its OSHMS under the ISO 45001:2018 Standard since May 2021.</p>
		<p>Water Treatment</p> <p>BWS Enkrott has been certified by ISO 45001:2019 since March 2023, by APCER, having received a follow-up audit in December.</p> <p>Due to regulatory requirements, Enkrott, SA has implemented compliance and legal monitoring processes. In audits carried out externally by the certifying entity, Enkrott is able to demonstrate its legal compliance. This process was improved through the acquisition of a support platform (Siawase) for identifying applicable legal requirements, as well as indicating compliance through evidence. All OSH legislation applicable to Enkrott, SA's activities is evaluated on an ongoing basis.</p> <p>The formal scope of Enkrott, SA's OSHMS includes: "design, installation, maintenance and technical assistance for water treatment systems; commercialisation of chemical products, assembly of specific equipment for water treatment systems". The OSHMS covers the Abrunheira, Campo Raso, Perafita and Quarteira sites.</p> <p>It is planned to incorporate the Funchal site into the 2024 integrated monitoring audit, but all actions/procedures already cover Funchal employees.</p> <p>The companies AEMA and Aguas Rioja have an Integrated Management System in accordance with the following standards:</p> <ul style="list-style-type: none">- International Standard UNE-EN ISO 9001 Quality management systems - requirements;- International Standard UNE-EN ISO 14001 Environmental management systems - Requirements;- International Standard UNE-EN ISO 45001 Occupational health and safety management systems - Requirements. <p>Laboratorios Alfaro SL is a testing laboratory accredited by ENAC, in accordance with the UNE-EN ISO/IEC 17025 Standard (Accreditation no. 524/LE1135) and approved by the Ministry of the Environment as a Collaborating Entity for Hydraulic Administration (ECAH) (Exp. no. EC 072/ 1 y 2).</p> <p>Laboratorios Alfaro SL is also an Inspection Body in the Environmental Area in the field of wastewater, accredited by the ENAC in accordance with the UNE-EN ISO/IEC 17020 Standard (Accreditation no. 177/EI321) and approved as a Collaborating Entity for Hydraulic Administration (ECAH) (Exp. no. EC 072/ 1 y 2).</p>
403-2	Hazard identification, risk assessment, and incident investigation	<p>Bondalti Capital, Chemicals and Cantabria</p> <p>At Bondalti Capital, when an accident occurs at work, the employee informs the Human Resources department and completes an accident report form. At Bondalti Chemicals, accident reports fall within the scope of the Occupational Safety and Health Management System. Under the SIAP programme, the results of risk assessments for jobs are recorded, after distribution by email to employees and management. On SIAP Events, work accidents are recorded. The Human Resources area collaborates with the Safety area in filling out the work accident report form and incident report.</p> <p>Bondalti Cantabria has a contract with an External Prevention Service which, in collaboration with the Security Manager at Bondalti Cantabria, carries out risk assessments at work stations. In the event of an accident, there is an established action protocol, under which, depending on the severity and time of the accident, assistance is provided by the Mutual Doctor Service or through emergency medical assistance. The Safety Officer is informed and conducts the accident investigation with the participation of the Prevention representative and other parties involved.</p>

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SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
	<p>Water Treatment</p> <p>BWS Enkrott identifies hazards and its respective risk assessment at various times: through the professional function/category and respective tasks, by site, by customer contract, by job, and for specific tasks (due to the type of risk and/or by customer request).</p> <p>At all times, assessments are carried out by senior OSH technicians (accredited by the ACT).</p> <p>Furthermore, all employees are instructed to carry out a risk assessment themselves before starting their tasks.</p> <p>At the AEMA Group, there are forms detailing the skills required for each job, and the effectiveness of the processes is verified through indicators, which are evaluated on an ongoing basis. There is an internal communication procedure which details the communication channels through which workers can report accidents and incidents detected. There are also procedures for risk assessment and accident investigation. All accidents are subject to investigation, with the findings monitored in an Excel document for regular tracking.</p>
	<p>Bondalti Capital, Chemicals and Cantabria</p> <p>At Bondalti Capital, Occupational Medicine services are guaranteed, in accordance with legal requirements. At Bondalti Chemicals, Occupational Medicine (OM) doctors participate in meetings of the Hygiene and Safety Committee (HSC). As part of these meetings, a plan is drawn up for OM doctors and safety technicians to conduct joint visits to work stations. The actions to be taken, such as corrective actions from these visits, are registered in SIAP Events.</p> <p>At Bondalti Cantabria, surveillance of health issues is carried out by the contracted External Prevention Service, which, based on the risk assessment carried out together with the person in charge of Safety, plans activities relating to health issues. Every year, all employees are subject to a voluntary medical check-up.</p>
403-3 Occupational health services	<p>Water Treatment</p> <p>BWS Enkrott uses external occupational safety and health services. The company that provides external services is approved by the ACT; all Occupational Safety and Health Technicians have an OSHT professional certificate issued by the ACT and the occupational physician has an Occupational Medicine Certificate. Furthermore, every year, the company is evaluated internally, when evaluating suppliers.</p> <p>For the occupational safety services provided, the OSH manager requests the services and monitors the work (both during visits carried out by the OSHT and when checking the reports/risk assessments drawn up).</p> <p>For health services, the external company manages the FAT (fitness-for-work forms). However, Enkrott, internally, also periodically checks the need for examinations to be scheduled.</p> <p>At the AEMA Group, occupational safety and health management is carried out through the contracted External Prevention Service. Among other functions, the External Prevention Service carries out risk assessments of work stations and the planning of preventive activities. Likewise, it also monitors the health of workers annually. The EPS (external prevention service) is in constant contact and coordination with those in charge of prevention in the group's companies.</p>

GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
403-4 Worker participation, consultation, and communication on occupational health and safety	<p>Industrial Chemicals</p> <p>At Bondalti Chemicals, consultation with employees on health and safety issues is carried out through their elected representatives – worker representatives for Occupational Safety and Health. They are members of the CHS, which is a consultative body in the area of Safety that raises topics and issues put forward by employees for analysis and discussion. These representatives are also consulted via email to comment on changes to Safety Standards and other OSHMS and Serious Accident Prevention documentation. There are also display cases to publicise safety topics throughout the buildings and other areas, with information controlled by the Safety area. At Bondalti Chemicals, 100% of its employees are overseen by formal health and safety committees. At Bondalti Cantabria, workers’ participation takes place through their representatives, i.e., staff representatives and Prevention representatives, elected by them. The factory manager, as a representative of the company, and the person in charge of Safety, Environment, Quality and Logistics, as a consultant, meet at least three times a year with the Prevention representative. In 2023, 4 meetings were held with the Prevention representative, elected that same year.</p> <p>Water Treatment</p> <p>BWS Enkrott has and has implemented a Communication, Consultation and Participation Plan. This Plan describes the normative, legal or informational requirements that require communication and/or a request for consultation and how these will be carried out. To this end, BWS Enkrott organises safety forums, OSH training, worker consultation surveys, selection of PPE, participation in audits and hazard identification. At BWS AEMA, there is an internal procedure for worker participation and consultation that details the channels of communication with workers. At Aguas Rioja, there are two legal worker representatives (Luis Manuel Martin and Eva Soler) and at AEMA one representative (Carlos Gonzalez), quarterly meetings between management, personnel representatives; Prevention representatives and the Prevention Manager.</p>
403-5 Worker training on occupational health and safety	<p>Bondalti Capital, Chemicals and Cantabria</p> <p>The Bondalti Training Plan, resulting from a training needs survey, includes the promotion of continuous training on topics such as safety, mitigation of risk behaviour or occupational health. In 2023, an across-the-board project entitled Rules Save Lives was launched. As part of this project, training was provided on various topics, namely “Opening Pipes and Equipment”, “Working in Confined Spaces” and “Bypassing critical safety elements”. In parallel, training was provided on emergency response topics such as “Fire Fighting and Accident Control with Hazardous Materials Course for 2nd response teams”, “Practical Training for Response Teams”, “Internal Emergency Plan” and “Emergency Planning, Organisation, Management and Coordination”. Other topics covered were “Ex-ATEX Motors Awareness Initiative”, “ADR 2023”, “Contracting Entities - Requirements for subcontractors” and “Work in confined spaces”. Safety induction training was also provided. Bondalti Cantabria planned training for all employees in various skills, which also include health and safety issues. Bondalti Cantabria’s Annual Training Plan includes a series of training courses on Occupational Safety and Health and Emergencies. During 2023, training was provided in “OSH Management System. UNE 45001. Hazardous substances, FDS. Emergencies”, “Solvay emergency practices”, “Know the ISO 45001 standard. Occupational Safety and Health Management Systems”, “Basic Life Support AED”, “Confined Spaces”, “Exposure to chemical agents (carcinogenic, toxic, corrosive, etc.), “ATEX Course”.</p>

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SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
	<p>Water Treatment</p> <p>Enkrott - Gestão e Tratamento de Águas, SA prepares a training plan every year, which identifies training needs, including in the context of Occupational Safety and Health (OSH). These needs are identified by the OSH manager (or department heads/managers). This training plan always includes training to be carried out internally by the OSH manager, as well as training through external entities.</p> <p>In 2023, training was carried out in specific areas, such as: first aid (at all <i>sites</i>), fire fighting (at all <i>sites</i>), forklift operator, bridge crane operator, among others. In addition to this more specific training, in all inductions of new employees, training is carried out under the ambit of the Management System (an integral part of the onboarding process), in which the risks of the role and the respective safety measures to be adopted are also conveyed, as well as the rules established by Enkrott.</p> <p>Health Promotion:</p> <p>Enkrott - Gestão e Tratamento de Águas, SA establishes two health promotion initiatives every year, mainly at the end of the Management Review.</p> <p>For the year 2023, the following were established:</p> <ol style="list-style-type: none">1. Driving and use of vehicles, more specifically, defensive driving and driving time;2. Smoking prevention and control, providing concrete information on the consequences of tobacco consumption and exposure to tobacco smoke for workers. <p>The first health promotion initiative has been carried out. The second initiative is scheduled for 2024.</p> <p>All dangerous situations identified and/or reported are analysed (in a similar way to incidents).</p> <p>At BWS AEMA, there is an annual training plan, detailing the planned training in occupational safety and health. There is excellent control over training in preventive issues for each worker. Initially, internal OSH training is provided at the time of recruitment, on work risks and internal safety procedures, and training is also provided by the External Prevention Service. Training topics are coordinated between the Human Resources manager and the group's prevention managers.</p>
403-6 Promotion of worker health	<p>Bondalti Capital, Chemicals and Cantabria</p> <p>Bondalti, under the ambit of primary health care, provides a Curative Medicine doctor for regular monitoring of its employees, in harmony with the SNS. Additionally, whenever possible, Bondalti provides specialist consultations at its facilities – Psychology, Nutrition, Physiotherapy and Podiatry, either on the recommendation of the Occupational Medicine doctors or on the initiative of the employee themselves.</p> <p>Additionally, Bondalti Chemicals provides its employees with a nurse, on working days, for preventive or curative Nursing activities.</p> <p>At Bondalti Cantabria, the External Prevention Service also provides a report that indicates the health areas that should be promoted among employees.</p> <p>We continue to observe that health insurance, life insurance, the cooperation agreement with gyms, urgent family assistance for up to 15 days/year and the specialist areas existing in our Medical Centre are the efr measures with the greatest impact in terms of employee satisfaction.</p> <p>Water Treatment</p> <p>In the BWS Enkrott companies, besides legal compliance with Occupational Medicine, there are no other initiatives in this area.</p> <p>In the BWS AEMA companies, workers' health and safety is managed by the External Prevention Service, through which workers undergo annual medical checks.</p>

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SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION													
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Bondalti Capital, Chemicals and Cantabria</p> <p>The promotion of continuous training aimed at employees on topics such as safety, mitigation of risk behaviour or occupational health is a constant. At Bondalti Chemicals, the area of prevention is particularly important. Accordingly, there are rules and procedures in the field of OSH that, despite already existing in the past, have been improved in accordance with current best practices, and have given rise to a recently implemented project (Rules Save Lives). This project represents one of Bondalti’s investments in supporting a strong and positive safety culture, built on trust, credibility and the behaviour of leaders and employees, just as our service providers are strategic cornerstones. Alongside these initiatives, it is important to highlight periodic monitoring of occupational risks, such as chemical and physical agents (vibrations, noise, illumination, thermal comfort, ionising radiation, indoor air quality). Risk assessments are carried out periodically on work stations, from which mitigation plans are drawn up. With a view to continuous improvement, Bondalti Chemicals is constantly searching for existing solutions in terms of Personal Protective Equipment (PPE), adapting them to the needs of its workers. During 2023, at Bondalti Cantabria, Preventive Safety Observations were carried out monthly. Campaigns were carried out to promote the use of sealed safety goggles by workers and improvement initiatives were carried out at the facilities.</p>													
		<p>Water Treatment</p> <p>As described in Indicator 403-2, BWS Enkrott carries out hazard identification and the corresponding risk assessment. Furthermore, it has and has implemented a Measurement and Monitoring Programme, with the aim of measuring some agents that may be harmful to workers’ health, as well as preparing employees in the event of an emergency. In addition, in Occupational Medicine, all employees undergo ophthalmological examinations and employees who are exposed to the physical agent noise more frequently undergo audiograms. In AEMA Group companies, risk assessments are carried out on work stations, which are reviewed annually and whenever there are changes in working conditions. Annual controls of lighting, noise and temperature and humidity are also carried out, as well as any specific assessment that may be necessary, such as biological risks.</p>													
403-8	Workers covered by an Occupational Health and Safety Management System	INDUSTRIAL CHEMICALS				2021				2022					
						2023				WATER TREATMENT					
		Employees				100% 359				100% 387					
		Employees covered by the OSHMS				81% 292				80% 310					
		Employees covered by the internally audited OSHMS				81% 292				80% 310					
		Employees covered by the externally audited OSHMS				81% 292				80% 310					
				2021				2022							
Employees				100% 332				100% 357							
Employees covered by the OSHMS				45% 150				48% 172							
Employees covered by the internally audited OSHMS				36% 118				37% 132							
Employees covered by the externally audited OSHMS				36% 118				37% 132							
				2023				2023							
Members of management were excluded from the headcount.															

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SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION					
	INDUSTRIAL CHEMICALS			2021	2022	2023
	Deaths			0	0	0
	Lost-time work accidents			5	3	3
	Serious lost-time work accidents			0	0	0
	Number of hours worked			652 021	699 735	706 906
	Unworked hours rate			7%	4%	4%
	Absenteeism rate			7%	3%	4%
	Accident frequency rate			7.668	4.287	4.244
	Serious accident frequency rate			0.000	0.000	0.000
	Accident severity rate			0.135	0.220	0.180
	Incidence rate			0.014	0.008	0.008
	WATER TREATMENT			2021	2022	2023
	Deaths			0	0	0
	Lost-time work accidents			9	11	9
	Serious lost-time work accidents			0	0	1
	Number of hours worked			568 477	671 153	664 443
	Unworked hours rate			1%	1%	1%
	Absenteeism rate			1%	1%	1%
	Accident frequency rate			15.832	16.390	13.545
	Serious accident frequency rate			0.000	0.000	1.505
	Accident severity rate			0.375	0.346	0.385
	Incidence rate			0.027	0.031	0.026

403-9 Work-related injuries

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In Industrial Chemicals, there were 3 lost-time work accidents:

- 1) Accident identified as “en route”; the employee was returning home from work and had a road accident;
- 2) The employee was using a lever to try to position a stay for the hopper, when it came loose and injured his arm;
- 3) The employee was in the changing room putting on his equipment, and, when he put his foot on a bench to tighten his laces, he felt a pop in his left knee, resulting in very severe pain in the knee and difficulty walking.

All work accidents at Bondalti are subject to investigation and identification of causes and implementation of the necessary corrective actions. Bondalti promotes various measures to mitigate risks related to the professional activities analysed under indicator 403-7.

In the Water Treatment area, there were 9 lost-time work accidents:

- 1) The employee was opening a shut-off valve on the WWTP thickener (work that is carried out daily), when, due to the frost, one of the pipes burst and all the mud sprayed over the worker, causing irritation to his eyes;
- 2) The employee, when picking up a polyelectrolyte bag to throw into the preparer, suffered a strain in his back;
- 3) The employee was carrying out normal maintenance work at the San Cebri n WWTP when, while descending a small step, his leg gave way and he fell to the floor, injuring his left knee;
- 4) The employee was manually transferring a chemical product (flocculant) from one drum to another when he felt a strain in his back;
- 5) The employee was assembling a blower at the La Zaragozana facility (he was bolting the structure of the blower) and had to enter a narrow hole; as he was getting out, he got stuck and suffered a blow to his ribs;

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SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
	<div><div>6) The employee was dosing (25kg) bags of polyelectrolyte into the hopper of the preparer when he suffered a strain;</div><div>7) The employee was at the La Zaragozana facility automatically igniting the lantern, which did not work; he used a pole to light the torch and, as he was unable to do so due to the strong wind, he climbed a ladder and, when lighting it, suffered burns to his face and arms;</div><div>8) Accident caused by excessive physical effort on the musculoskeletal system (low back pain);</div><div>9) Professional road accident “en route”</div></div> <div><div>Members of management were excluded from the headcount.</div><div>Accidents en route are only considered if they occur on company transport.</div><div>A serious accident is considered to be one that results in the worker’s incapacitation (time off or change of work station) for a period of more than 6 months.</div><div>Calculations based on 1 000 000 hours worked.</div><div>Unworked hours rate = No. of unworked hours⁽¹⁾ / No. of workable hours</div><div>⁽¹⁾ Absenteeism due to parental leave, marriage leave, bereavement leave or study leaves is excluded from this count</div><div>Absenteeism rate = No. of hours absent from work / No. of workable hours</div><div>Rate of deaths resulting from accidents at work = No. of deaths resulting from accidents at work / No. of hours worked x 1 000 000</div><div>Lost-time work accident frequency rate = No. of lost-time accidents / No. of hours worked x 1 000 000</div><div>Serious lost-time work accident frequency rate = No. of serious lost-time accidents / No. of hours worked x 1 000 000</div><div>Accident severity rate = No. of days lost due to work accidents / No. of hours worked x 1 000</div><div>Incidence rate = No. of lost-time accidents / Employees as of 31/12</div></div>
403-10 Work-related ill health	<div>The safety and health of workers is controlled through plans to monitor the risks of exposure to chemical substances and physical and biological risks, guaranteed by the Safety Service and monitored by Occupational Medicine.</div> <div>To date, in the Industrial Chemicals and Water Treatment companies, there has been no record of any employee requesting eligibility for occupational disease status.</div>

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SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
Material Topics: Local communities		
3-3	Management of material topics	Promotion of initiatives, activities, products and/or services that guarantee the development and integration of communities Pages 108, 115-127
413-1	Operations with local community engagement, impact assessments, and development programmes	Pages 108-132 All Bondalti companies carry out engagement programmes with the local communities where they are located. In 2023, the total amount of donations made by Bondalti was 1.89 million euros. Note: The calculation formula was revised compared to previous years.
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 108-132 In all Bondalti projects, environmental and social impacts are analysed. As a result of these environmental impact assessment processes, monitoring, mitigation and compensation measures associated with each project are defined.
Material Topics: Product quality and customer satisfaction		
3-3	Management of material topics	Guaranteeing product quality and promoting customer satisfaction with the service provided from the first moment of contact. Pages 42-43, 62-64
416-1	Assessment of the health and safety impacts of product and service categories	All Bondalti products have Safety Data Sheets, included in a continuous management and update cycle, distributed to all customers in their local language, in accordance with the REACH Regulation.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
417-1	Products and services with associated Safety Data Sheet and Technical Data Sheet	All Bondalti products have Safety Data Sheets, included in a continuous management and update cycle, distributed to all customers in their local language, in accordance with the REACH Regulation. Labelling for packaged products must also comply with the CLP and BPR regulations, in line with the Safety Data Sheet review strategy.

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SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
Indicators that do not relate to material topics		
Economic Performance		
201-2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change	In 2023, Bondalti consumed 27 490 ETS licences, and it was allocated 52 183 licences, corresponding to an amount of 4 031 137 at market price.
201-3	Defined benefit plan obligations and other retirement plans	Only employees of the Bondalti Group, Industrial Chemicals, who joined the company before 31/12/1977 benefit from a retirement pension.
206-1	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their results	In 2023, there were no legal actions or convictions related to this indicator.
207-2	Tax governance, control and risk management	Bondalti’s Financial Department is the internal body responsible for identifying and managing financial risks for all group companies. The Financial Department monitors exposure to financial risk on an ongoing basis, carrying out a specific analysis whenever any of the following situations occur: legislative and/or regulatory amendment/revision; significant change in activities, processes or customer portfolio; merger/acquisition of new business units; other changes arising from a specific geographic or geopolitical context. For these specific analyses, Bondalti uses specialised consultancy, in Portugal and Spain, to support the identification and management of financial risks, particularly in the tax and transactional areas in the different business areas. This support takes the form of regular meetings to monitor Bondalti’s activity and legislative developments, and specific meetings when support on specific issues is warranted.
Environmental Performance		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Bondalti plans to begin a more in-depth study of all the natural capital impacted by its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our stakeholders, namely local communities.
304-2	Significant impacts of activities, products and services on biodiversity in protected areas and areas with a high level of biodiversity located outside protected areas	<p>Pages 118-124</p> <p>Bondalti plans to begin a more in-depth study of all the natural capital impacted by its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our <i>stakeholders</i>, namely local communities.</p>

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
304-3	Habitats protected or restored	Bondalti plans to begin a more in-depth study of all the natural capital impacted by its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our stakeholders, namely local communities.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Bondalti plans to begin a more in-depth study of all the natural capital impacted by its direct and indirect operations, as well as the dependencies and interdependencies related to its business model that may have a positive or negative impact on nature. We also plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our stakeholders, namely local communities.
308-1	Environmental screening of new suppliers	For the Industrial Chemicals sector, Bondalti is developing an internal tool for selecting new suppliers.
308-2	Negative environmental impacts in the supply chain and actions taken	For the Industrial Chemicals sector, Bondalti is developing a tool to determine negative environmental impacts in the supply chain. There is an annual audit plan, where various criteria are evaluated, including environmental management.
Social Performance		
402-1	Minimum notice periods regarding operational changes	According to the Labour Code, the minimum period defined to notify a worker about a definitive workplace transfer is 30 days in advance. This notice must always be made in writing and duly substantiated.

Industrial Chemicals

405-1	Diversity of governance bodies and employees	GOVERNING BODIES			2021	2022	2023	DIRECTORS			2021	2022	2023
		Total			12	15	4	Total			20	21	18
		By gender						By gender					
		Men			10	12	4	Men			16	18	15
		Women			2	3	0	Women			4	3	3
		By age group						By age group					
		Up to 30 years			0	0	0	Up to 30 years			0	0	0
		Between 30 and 50 years			2	1	1	Between 30 and 50 years			6	11	10
		Up to 50 years			10	14	3	Up to 50 years			14	10	8

GRI Standard Indicators

SPECIFIC INDICATORS

RESPONSE / LOCATION / OMISSION

COORDINATORS	2021	2022	2023
Total	26	31	37
By gender			
Men	18	19	22
Women	8	12	15
By age group			
Up to 30 years	0	0	0
Between 30 and 50 years	15	20	25
Up to 50 years	11	11	12

Water Treatment

GOVERNING BODIES	2021	2022	2023
Total	6	7	3
By gender			
Men	5	5	3
Women	1	2	0
By age group			
Up to 30 years	0	0	0
Between 30 and 50 years	1	0	0
Up to 50 years	5	7	3

COORDINATORS	2021	2022	2023
Total	54	67	30
By gender			
Men	30	43	17
Women	24	24	13
By age group			
Up to 30 years	0	2	1
Between 30 and 50 years	48	56	25
Up to 50 years	6	9	4

EMPLOYEES	2021	2022	2023
Total	359	320	397
By gender			
Men	282	252	306
Women	77	68	91
By age group			
Up to 30 years	53	53	62
Between 30 and 50 years	171	159	219
Up to 50 years	135	108	116

DIRECTORS	2021	2022	2023
Total	8	7	8
By gender			
Men	7	7	7
Women	1	0	1
By age group			
Up to 30 years	0	0	0
Between 30 and 50 years	4	2	4
Up to 50 years	4	5	4

EMPLOYEES	2021	2022	2023
Total	332	276	348
By gender			
Men	235	197	242
Women	97	79	106
By age group			
Up to 30 years	30	28	33
Between 30 and 50 years	255	201	247
Up to 50 years	47	47	68

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION											
405-2	Ratio of basic salary and remuneration of women to men, for each employee category and relevant operational units (Remuneration)	Ratio of total remuneration (basic salary + variables) between women and men, by employee category											
		Industrial Chemicals											
		BONDALTI CHEMICALS AND BONDALTI CAPITAL				< 30 years	30-50 years	> 50 years	BONDALTI CANTABRIA		< 30 years	30-50 years	> 50 years
		Director				-	0.95	-	Director		-	-	-
		Deputy Director				-	0.93	-	Coordinator		-	-	-
		Coordinator				-	0.92	0.90	Technical Staff		-	1.41	0.93
		Supervisor				-	0.94	-	Administrative Technicians		-	-	-
		Technical Staff				0.75	0.73	1.01	Functional technician		-	-	-
		Administrative Technicians				-	1.19	1.27	Coordinating operational technician		-	-	-
		Coordinating functional technician				-	-	-	Operational technician		-	1.06	-
Functional technician				0.93	0.96	1.01							
Coordinating operational technician				-	-	-							
Operational technician				-	0.67	-							
		Water Treatment											
		BWS – AEMA				< 30 years	30-50 years	> 50 years					
		Director				-	1.14	-					
		Coordinator				-	0.85	-					
		Technical Staff				-	0.76	-					
		Administrative Technicians				-	0.52	0.50					
		Functional technician				1.24	0.92	-					
		Operational technician				1.17	0.72	-					
		Note: The values presented exclude the corporate bodies. To calculate this indicator, the contractual values of fixed remuneration for the total number of active employees as of 31/12/2023 and variable remuneration effective in 2023 were considered. Calculation formula: Female gender / Male gender											
		Reason for omission: Information not available/incomplete BWS Enkrott does not have a system that allows the total variable remuneration to be counted effectively, making it impossible to collect data for the year 2023.											

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION							
405-2	Ratio of basic salary and remuneration of women and men, by employee category and relevant operational units (Basic salary)	Ratio of basic salary between women and men, by employee category							
		Industrial Chemicals							
		BONDALTI CHEMICALS AND BONDALTI CAPITAL				BONDALTI CANTABRIA			
			< 30 years	30-50 years	> 50 years		< 30 years	30-50 years	> 50 years
		Director	-	0.89	-	Director	-	-	-
		Deputy Director	-	0.91	-	Coordinator	-	-	-
		Coordinator	-	0.97	0.91	Technical Staff	-	1.26	0.77
		Supervisor	-	0.96	-	Administrative Technicians	-	-	-
		Technical Staff	0.77	0.70	1.00	Functional technician	-	-	-
		Administrative Technicians	-	1.15	1.26	Coordinating operational technician	-	-	-
Coordinating functional technician	-	-	-	Operational technician	-	1.05	-		
Functional technician	0.98	0.98	0.99						
Coordinating operational technician	-	-	-						
Operational technician	-	0.76	-						
		Water Treatment							
		BWS – AEMA				BWS – ENKROTT PORTUGAL			
			< 30 years	30-50 years	> 50 years		< 30 years	30-50 years	> 50 years
		Director	-	1.25	-	Director	-	-	-
		Coordinator	-	0.83	-	Coordinator	-	1.41	1.75
		Technical Staff	-	0.79	-	Technical Staff	-	1.49	-
		Administrative Technicians	-	0.52	0.50	Administrative Technicians	-	0.99	-
		Functional technician	1.25	0.92	-	Operational technician	1.03	0.89	0.44
		Operational technician	1.38	0.83	-	Officer	-	0.76	-
		At BWS Enkrott Spain, the two employees occupy different positions in the company, making comparison impossible.							
		Note: The values presented exclude the corporate bodies. To calculate this indicator, the contractual values of fixed remuneration for the total number of active employees as of 31/12/2023 were considered. Calculation formula: Female gender / Male gender							
		Reason for omission: Information not available/incomplete BWS Enkrott Angola does not have a system that allows effective accounting, making it impossible to collect data for the year 2023.							

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
406-1	Incidents of discrimination and corrective actions taken	In 2023, there were no cases of discrimination in the Bondalti Universe. Code of Ethics (www.bondalti.com)
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	In 2023, the number of occurrences was 0, with no cases of attacks on the right to freedom of association and collective bargaining being identified. Bondalti shares the Code of Conduct for Suppliers with all its suppliers. Code of Conduct for Suppliers (www.bondalti.com)
408-1	Operations and suppliers at significant risk for incidents of child labour	Code of Ethics (www.bondalti.com); Code of Conduct for Suppliers (www.bondalti.com). In 2023, the number of occurrences was 0, with no cases of risk for incidents of child labour being identified. Bondalti shares the Code of Conduct for Suppliers with all its suppliers. Bondalti subscribes to the United Nations Global Compact, under which it commits to complying with the 10 global principles.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Code of Ethics (www.bondalti.com); Code of Conduct for Suppliers (www.bondalti.com). In 2023, the number of occurrences was 0, with no cases of significant risk for incidents of forced or compulsory labour being identified. Bondalti shares the Code of Conduct for Suppliers with all its suppliers. Bondalti subscribes to the United Nations Global Compact, under which it commits to complying with the 10 global principles.
410-1	Percentage of security personnel trained in the organisation’s human rights policies or procedures that are relevant to operations	All Bondalti employees, upon admission, are obliged to receive training regarding the Code of Ethics. Code of Ethics (www.bondalti.com)
411-1	Total number of incidents of violations involving rights of indigenous peoples and measures taken	Code of Ethics (www.bondalti.com); Code of Conduct for Suppliers (www.bondalti.com) In 2023, the number of occurrences was 0. Bondalti subscribes to the United Nations Global Compact, under which it commits to complying with the 10 global principles. Due to the location of its operations, Bondalti’s activity does not involve any relationships with indigenous peoples.
414-1	New suppliers that were screened using social criteria	Bondalti shares its Code of Conduct for Suppliers, which includes Human and Labour Rights. Currently, Bondalti is working in an integrated manner on a supplier selection process that takes into account various factors, including social criteria.
414-2	Negative social impacts in the supply chain and actions taken	Bondalti shares its Code of Conduct for Suppliers, which includes Human and Labour Rights. Currently, Bondalti is working in an integrated manner on a supplier selection process that takes into account various factors, including social criteria.

GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
415-1	Political contributions	Bondalti does not provide any political contributions, either directly or indirectly.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
Logistics	Compliant shipments	Pages 61-62
		In 2023, in Industrial Chemicals, 99.87% of shipments were compliant. In Water Treatment, compliance was verified for 99.95% of BWS Enkrott shipments, and for 100% of BWS AEMA shipments. % Compliant Shipments = Total Logistics Complaints / Total Shipments
Colombo	Financial return	Pages 68-69
		The NPV is only calculated for ideas that have been approved and considers the update until the period under analysis (2022) of the amounts paid for approval and implementation of the ideas (if this has already occurred). The NPV also considers the recognition of one-off income as occurring in the year following the year of implementation, as well as annual income as occurring over 5 years beginning after the year following the year of implementation, both updated/capitalised up to the period under analysis (5 years). NPV = Approval + Implementation + One-off Revenue + Annual Revenue Approval – Includes approval cost (excludes premium cost if applicable) updatable until 2022 at the WACC rate: Approval cost x (1 + WACC)^(2022 - year of approval) Implementation – If the idea has been implemented: Implementation cost x (1 + WACC)^(2022 - year of implementation) One-off Revenue – If the idea has been implemented: One-off revenue x (1 + WACC)^(2022 - year following the year of implementation) Annual Income – If the idea has been implemented: Annual income x 1 / WACC x (1 - (1 / (1 + WACC)^5)) x (1 + WACC)^(2022 - year following the year of implementation)

Sustainability Verification Report



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

Independent Limited Assurance Report

To the Board of Directors of
Bondalti Capital, S.A.

Scope

We have been engaged by Bondalti Capital, S.A. ("Bondalti") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the sustainability disclosures identified in the subchapter "GRI Standard Indicators" of the chapter "Annexes", which include the sustainability information included in the Integrated Report 2023 (the "Sustainability Information"), for the year ended 31 December 2023.

Criteria applied

Bondalti prepared the Sustainability Information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards and with the principles of inclusivity, materiality, responsiveness, and impact set by AA1000AP Standard (2018) (together the "Criteria").

Responsibilities of the Management

Bondalti's management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to examine the Sustainability Information prepared by Bondalti and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Our work also considered the AA1000 Assurance Standard (AA1000AS v3) issued by AccountAbility for a type 2 process, with the aim of obtaining a moderate level of assurance on the alignment of Bondalti with Standard AA1000AP (2018).

Procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;

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31 December 2023

- ▶ Conducting analytical review procedures to support the reasonableness of the data;
- ▶ Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;
- ▶ Verification of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact defined in AA1000AP Standard (2018), through the analysis of contents contained in the Sustainability Information and in the internal documentation of Bondalti;
- ▶ Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

Quality and Independence

EY applies the International Standard on Quality Management ISQM 1, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas'* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentially, and professional behavior.

Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2023, has not been prepared, in all material respects, in accordance with the Criteria.

Other Matters

Without affecting the conclusion above, we also present the following aspects regarding Bondalti's adherence to the principles of AA1000AP Standard (2018):

- ▶ Principle of inclusivity: Bondalti's internal and external stakeholders' engagement is directly linked to the strategic objectives defined by the organization, both at Group level and in its business areas. There is an internal procedure for stakeholders' management and involvement, including the selection of stakeholders by the sustainability team and validation by the responsible areas, as well as the adaptation of involvement mechanisms to each stakeholder.
- ▶ Principle of materiality: Bondalti engages with its stakeholders every two years and revises its material topics when there is a significant change, as in 2023, with an average of every 4 years.

In 2023, Bondalti carried out a materiality analysis, based on an engagement process with its stakeholders, both external and internal. This process considered an initial list of topics identified through a benchmark main trends analysis, with stakeholders from Bondalti's two main business areas - Bondalti Chemicals and Bondalti Water Solutions - being consulted in order to assess their perceptions on the impact of Bondalti's activities on each topic, as well as their relevance to the business and impact on the company's potential to create value. The consolidation of this consultation results allowed Bondalti to revise its materiality matrix, identifying the material topics of the Bondalti Group as a whole, as well as those of its two business areas.



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- ▶ Principle of responsiveness: Through the stakeholders' engagement process, Bondalti takes stakeholders expectations into account in order to define material topics, issues that need to be addressed by Bondalti and which are therefore the focus areas of Bondalti's strategy. This consultation process is in itself continuous, carried out every two years, integrated and applied throughout the organization.
- ▶ Principle of impact: Bondalti has selected a set of quantitative and qualitative indicators, by material topic, to monitor the main direct and indirect economic, environmental, social, and governance impacts of its activities.

Lisbon, July 3rd 2024

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

(signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410
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Glossary

A	AAA	Avanca Artistic Association
	ACEGE	Christian Association of Businessmen and Managers
	ADENE	Portuguese Energy Agency
	AICO	Ibero-American Association of Chambers of Commerce
	AIP	Portuguese Industrial Association
	ALP	Advanced Leadership Programme
	ANPC	National Association of Rural Landowners, Game Management and Biodiversity
	APCADEC	Portuguese Purchasing and Procurement Association
	APQuímica	Portuguese Association of Chemistry, Petrochemistry and Refining
	AQP	Aliada Química de Portugal
B	BCSD Portugal	Business Council for Sustainable Development
	BD	Board of Directors
	BTT	Bondalti TechTalks
	BWS	Bondalti Water Solutions
C	CDP	Carbon Disclosure Project

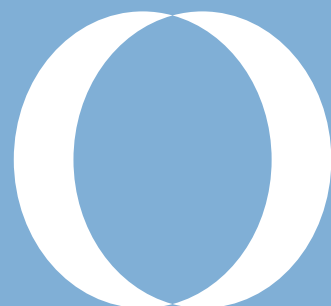
	CEFIC	European Chemical Industry Council
	CESAM	Centre for Environmental and Marine Studies
	Chempor	International Conference on Chemical and Biological Engineering
	CIBIO	Centre for Biodiversity and Genetic Resources Research
	CIP	Portuguese Business Confederation
	CIRC	Corporation Tax Code
	CO ₂	Carbon Dioxide
	COP	Communication on Progress
	COTEC	Business Association for Innovation
	CRAM	Marine Animal Recovery Centre
	CSC	Commercial Companies Code
	CSRD	Corporate Sustainability Reporting Directive
D	DAIGR	Directorate for Internal Audit and Risk Management
	DECO	Portuguese Consumer Protection Association
E	EB	Executive Board

EBIT	Trading income	
EBITDA	Operating cash-flow	
efr	Family Responsible Company	
EIPM	European Institute of Purchasing Management	
ERM	Enterprise risk management	
ESG	Environmental, Social and Governance	
EU	European Union	
EuBatIn	European Battery Innovation	
EVP	Employee value proposition	
EY	Ernst & Young	
F	FAM	Amélia de Mello Foundation
	FEIQUE	Spanish Chemical Industry Business Federation
	FEUP	Faculty of Engineering of the University of Porto
	FID	First Industrial Deployment
	FJN	José Neves Foundation

G	GHG	Greenhouse Gases
	GRI	Global Reporting Initiative
H	H ₂	Hydrogen
	HyLAB	Green Hydrogen Collaborative Laboratory
I	IAPMEI	Agency for Competitiveness and Innovation
	ICEP	Portuguese Foreign Trade Institute
	ICF	Inclusive Community Forum
	IIA	Institute of Internal Auditors
	iLAB	Microscopy and Biological Imaging Laboratory
	INSEAD	Institut Européen d'Administration des Affaires
	IoT	Internet of Things
	IPCEI	Important Project of Common European Interest
	ISCC Plus	International Sustainability & Carbon Certification
	IST	Instituto Superior Técnico
	IT	Information Technology

J	JAP	Junior Achievement Portugal
M	MBA	Master of Business Administration
	MBR	Membrane Bioreactors
N	NaCl	Sodium Chloride
	NFRD	Non-Financial Reporting Directive
	NGS	New Generation Storage
O	OECD	Organisation for Economic Cooperation and Development
	OPS	Preventive Safety Observations
	OSH	Occupational Safety and Health
P	PACOPAR	Estarreja Responsible Practices Programme Community Advisory Panel
	PPI	Portuguese Platform for Integrity
	PPR	Corruption and Related Offences Risk Prevention Plan
	PRODEC	Doctoral Programme in Civil Engineering
	PRR	Recovery and Resilience Plan
R	R&D	Research and Development

	RDI	Research, Development and Innovation
	RGPC	General Framework for the Prevention of Corruption
S	SBTi	Science Based Targets initiative
	SDG	Sustainable Development Goals
	SME	Small and Medium-Sized Enterprises
	SOC	Security Operation Centre
U	UNGC	United Nations Global Compact
V	VN	Turnover
W	WWTP	Waste Water Treatment Plant



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BONDALTI

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