

BONDALTI

TOMORROW MATTERS

CONSOLIDATED
ANNUAL REPORT
BONDALTI CHEMICALS, S.A.

2024

BONDALTI

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BONDALTI

BONDALTI CHEMICALS, S.A.
MANAGEMENT REPORT
2024 FINANCIAL YEAR

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1. MOST SIGNIFICANT EVENTS

The year 2024 was very positive for Bondalti Chemicals' operations, marked by an accident-free industrial record and robust, reliable performance, further strengthening the positive trajectory of recent years.

The economic indicators achieved by Bondalti Chemicals were highly favourable, with a consolidated EBITDA of 66 million euros and a net profit of 38.2 million euros.

Bondalti Chemicals' two production sites, Estarreja and Torrelavega, achieved reliability rates exceeding 95%, a competitive advantage that ensured production targets were met, products were delivered to customers on time, and improvement projects were successfully implemented. Notably, the Torrelavega plant achieved an operational availability rate of over 99%.

In terms of production volumes, 2024 marked the best year on record, especially for aniline, nitrobenzene, and nitric acid, due to two key factors: firstly, the capture of sales, which required maintaining high levels of production throughout the year, and secondly, the plants' ability to operate at a performance level that sets an international benchmark.

The year was also marked by the public takeover offer (OPA) for the Spanish company Ercros, S.A. in March 2024. This operation will allow Bondalti to acquire new capabilities, strengthen its teams, and enter new areas of the chemical industry, with a broader product portfolio. At the time of writing, the OPA is expected to conclude during the 2025 financial year. If successful, Bondalti will emerge as a player of sufficient scale to compete with the leading companies in its sector within the European market, positioning itself better to tackle the challenges and seize the opportunities within the chemical sector in the future.

Regarding productive investments, Bondalti Chemicals invested approximately 44 million euros. 2024 saw the initiation of investments supported by Component C11 of the PRR, aimed at decarbonising the Estarreja site, as well as the continuation of the NaCl electrolysis conversion project, which had begun the previous year, significantly impacting the overall investment volume for the year. At Torrelavega, attention should also be drawn to the maintenance shutdown of the electrolyzers, which will enter its second phase at the beginning of 2025, expected to significantly enhance the plant's energy efficiency.

In early January 2024, the sale of the subsidiary Renoeste was completed. This transaction involved the sale of all properties and assets, the hiring of employees, and the assignment of the contractual position in the concession agreement the company held with the Portuguese state.

Also notable is the renewal, for the fourth consecutive year, of the platinum medal in the EcoVadis index, reaffirming Bondalti's position as one of the most sustainable companies in the chemical sector in Europe.

The efforts of all employees, combined with strong management and decision-making in challenging and uncertain contexts, allowed Bondalti Chemicals to achieve very positive results.

The year 2024 was a very positive year for Bondalti Chemicals' business, marked by activity free of industrial accidents and robust, reliable operations, reinforcing the positive trend of recent years.

2. EVOLUTION OF KEY INDICATORS

	Unit	2020	2021	2022	2023	2024
Turnover	M€	237	421	558	468	489
Operating Cash Flow (EBITDA))	M€	41	63	109	103	66
Net Operating Income (EBIT)	M€	22	43	86	79	40
Net Operating Income / Sales	%	9.3	10.2	15.3	16.9	8.1
Financial Costs	M€	3.0	15.3	12.2	-0.2	2.0
Earnings Before Taxes	M€	19	27	73	79	38
Net Earnings	M€	15	21	57	58	38
Cash Flow (NE+Amort.+Provisions)	M€	34	43	33	83	64
Equity	M€	89	100	139	161	156
Net Assets	M€	297	319	358	375	367
Financial Liabilities	M€	142	125	101	77	84
Passivo Financeiro Líquido	M€	113	106	70	21	48
Financial Liabilities / EBITDA	No. of times	3.5	2.0	0.9	0.7	1.3
Net Financial Liabilities / EBITDA	No. of times	2.8	1.7	0.6	0.2	0.7
Financial Autonomy (Equity/Assets)	%	30	31	39	43	42
Average Number of Staff*	N.º	295	307	307	332	358
Sales per Number of Staff	m€	803	1371	1817	1409	1366

(Consolidated amounts)

* Not included: AQP staff, governing bodies

3. COMPANIES INCLUDED IN THE CONSOLIDATION

Companies	Holding	Consolidation Method
Bondalti Chemicals, S.A.	100%	Full
Elnosa - Electroquímica del Noroeste, S.A.U.	100%	Full
Nutriquim - Produtos Químicos, S.A.	100%	Full
Bondalti Iberica, S.A.	100%	Full
Bondalti Cantabria, S.A.	100%	Full
Miralcalis - Activos de Produção de Cloro, S.A.	100%	Full
Bondalti H2, S.A.	100%	Full
AQP - Aliada Química de Portugal, S.A.	49.9%	Equity

4. ACTIVITIES AND RESULTS OF BONDALTI CHEMICALS, S.A.

4.1. BUSINESS ACTIVITY

The year 2024 stood out as a record year for sales. Despite the challenges faced in both local and international supply chains, Bondalti successfully ensured a constant supply to its customers and also signed new short, medium, and long-term supply contracts.

It is worth noting that most of Bondalti's customers operate in highly important value chains such as water treatment, disinfection and detergents, the pharmaceutical industry, the automotive industry and mobility, electricity production, paper production, construction, energy efficiency, and the production of household appliances and items. As a result, ensuring their regular and secure supply is crucial for the smooth functioning of the economy.

Macro and demand-generating sectors

The year 2024 was characterised by a relative stabilisation of economic activity, following previous years marked by the effects of the COVID-19 pandemic and the onset of geopolitical crises.

On the international front, the war in Ukraine entered its third year, with Russia intensifying its attacks in the Donbass region after an offensive by Kiev troops on Russian territory. The broader geopolitical landscape also remained unstable, due to the ongoing war in the Middle East between Israel and Hamas, with the conflict also spreading to Lebanon against Hezbollah and tensions with Iran.

In the technological field, artificial intelligence has firmly established itself as a disruptive force in various sectors. Improvements in generative artificial intelligence have boosted industrial efficiency and services, but have also raised ethical and regulatory concerns, forcing governments and companies to adopt stricter supervisory measures.

2024 was the second consecutive year of record global temperatures, with heatwaves leaving a trail of high temperatures, droughts, and floods. The south and east of Spain suffered severe flooding, especially the Valencia region, where over 220 people died. In Portugal, strong fires in Madeira in August and in the Aveiro and Viseu regions in September marked another year of intense fires nationwide.

By 2024, the global economy is expected to have grown moderately by around 3%, driven by the reopening of emerging markets and a decrease in inflationary pressure in various regions. In the United States, growth is estimated to have exceeded 3%, supported by a less restrictive monetary policy and resilient domestic consumption. In China, the economy slowed down due to the property crisis and weak domestic consumption, prompting the Chinese government to launch a series of measures in the last weeks of the year to encourage economic recovery. Chinese industrial overcapacity continues to affect less competitive regions, notably Europe, leading to increased tariffs and anti-dumping measures by the US and the European Union.

In the European Union, economic growth is estimated at just under 1%, reflecting an acceleration compared to 2023, although still modest. Inflation, which had reached historic peaks in 2022 and 2023, is expected to have decreased to an average of around 2.5% in 2024, due to further stabilisation of energy markets and raw material costs. Germany, the region's largest economy, is expected to have registered zero growth in 2024, impacted by intense global competition in its key industries.

The Iberian economies stood out in the Eurozone in 2024, with Spain projected to show growth of nearly 3%, driven by domestic demand and the tourism sector. Portugal, although more restrained, is still expected to see economic

growth of 1.7%, supported by the strength of the tourism sector and the partial recovery of some industrial sectors. Inflation is expected to be around 2.6%, approaching the desired levels for economic stability.

The demand-generating sectors for Bondalti had a mixed performance throughout 2024, reflecting different regional and local realities, but against the backdrop of a still challenging and complex global macroeconomic environment, with issues such as high interest rates, unstable energy costs, and increasingly noticeable geopolitical tensions.

The European chemical sector stabilised in 2024, after two consecutive years of declines, with considerable growth of over 3% expected in 2024. Lower energy costs and some recovery in demand have supported this performance, although it does not fully offset the significant declines of previous years, and operating rates remain well below the historical performance of the sector.

The construction sector, a major driver for chemical product consumption, likely had its most challenging year since 2020 in 2024. It is estimated that this sector declined by more than 2%, mainly due to the residential sector, which was affected by high property prices, high interest rates, and elevated building material costs. However, the sector is expected to return to growth in 2025.

The European automotive sector, another key consumer of industrial chemicals, is currently in a deep crisis due to delays in electrifying its offerings and a loss of structural competitiveness compared to Asia, particularly China. This has led to an estimated decrease of around 5% in European car production. Throughout 2024, several European car manufacturers, particularly in Germany, redefined their strategies and restructured their assets.

In contrast to the automotive and construction sectors, the tourism sector, a significant consumer of disinfectant and biocide chemicals, had another record year on the Iberian Peninsula. Portugal received more than 30 million foreign tourists, generating revenues of over 27 billion euros, driven by strategies to enhance and diversify the tourism offer. Spain also attracted a record number of visitors, with over 88 million tourists generating nearly 120 billion euros in revenue.

In summary, the year 2024 was marked by a combination of geopolitical and economic instability and the adaptation to new climatic and technological realities. For the chemical sector, and for Bondalti in particular, this context presented both challenges and opportunities, underscoring the importance of strategic positioning to navigate the sector's transformations.

ORGANIC products

Aniline: The quantities sold in 2024 represented a new all-time high, reflecting the value of Bondalti's value proposition for customers of this product in the current competitive context, as well as the exploitation of some opportunities outside the usual segments.

Mononitrobenzene (MNB): As a result of successfully taking advantage of opportunities to diversify sales into new segments, particularly isocyanates, it was also possible to achieve maximum sales in terms of quantities of this product.

INORGANIC products

Soda: The 2024 financial year was marked by great instability in soda prices: the year began with an increase in prices, which quickly reversed in the second quarter, impacted by the sharp drop in demand. Gradually, from the middle of the third quarter, prices began to recover, albeit slowly.

Sodium hypochlorite: The market has been impacted by the entry of alternative products for treating swimming pool water, both trichloroisocyanurates and above all salt. Even so, Bondalti maintained a high volume of sales throughout the year. With the oversupply on the market, there was a marked fall in prices.

Hydrochloric Acid: In this product too, the increase in supply and decrease in demand in the centre of Europe has led to a decrease in our exports of this product, although sales volumes in the Iberian Peninsula have been maintained.

4.2. INDUSTRIAL ACTIVITY

As in previous years, Bondalti Chemicals' industrial area maintained high levels of performance. On a positive note, the aniline, nitrobenzene, and nitrate units reached new historic highs in annual production.

Preparing for the General Shutdown, scheduled for March 2025, was one of the most important maintenance and production activities. The work, which began in 2023, intensified throughout 2024, constituting an extra effort for the teams involved. The goal of 100% completion of the planned work and zero accidents requires extra care in the planning of the various associated tasks.

The end of 2024 was also marked by the start-up of the new Asset Management department, with the main aim of reducing costs, increasing the availability and security of assets, and optimising investments and processes.

4.2.1. PRODUCTION OF ORGANIC PRODUCTS

Aniline production totalled 206 499 tonnes, a 4% increase on the previous year and a new record for the amount produced at this facility.

The Mononitrobenzene (MNB) unit totalled 342 967 tonnes, corresponding to an 8% increase in production compared to 2023. Here too, a new high was reached, surpassing the production achieved in 2021 (the previous record) by more than 2000 tonnes.

As for the Nitric Acid plant, annual production is 271 926 tonnes, which means an increase of 7% compared to 2023. This facility has also reached its all-time high in annual production, surpassing 2021.

During 2024 there were several stoppages at the sulphanilic acid plant due to a lack of market. As a result, total production was 1189 tonnes, which corresponds to a reduction of 30% compared to the previous year.

Production of cyclohexylamine and cyclohexanol totalled 551 tonnes and 200 tonnes respectively, approximately 40% more than the previous year in both cases.

In 2024, 6 new employees were hired in the Aniline and Derivatives division, continuing Bondalti's ongoing renewal process.

At the Aveiro park, the S208 and S209 aniline tanks were inspected from the inside in order to fulfil the planned maintenance schedules.

The process of renewing the park's operating licence took place throughout the year, with an exchange of information between Bondalti and the DGEG, and is almost complete.

4.2.2. PRODUCTION OF INORGANIC PRODUCTS

In 2024, Bondalti Chemicals' inorganic products production units continued to demonstrate very high levels of reliability and efficiency, which made it possible to exceed planned sales without any major restrictions:

- Hypochlorite production in Estarreja totalled 109 697 tonnes, up 0.9% on the previous year.
- Liquid chlorine production rose by 9.4%, with a total of 102 201 tonnes produced.

- The 60 774 dry tonnes of caustic soda at 50% concentration produced at the concentration unit represented a 1% increase on the previous year.
- The hydrogen produced in electrolysis totalled 3130 tonnes.

The main specific consumptions have remained in line with or below the average of recent years, with emphasis on specific energy consumption in sodium chloride electrolysis, where the use of high-performance membranes and the ongoing project to modernise electrolyzers have already contributed to a 2% reduction in electricity consumption compared to 2023.

Also noteworthy is the hypochlorite storage capacity, which was increased by 30% and now totals around 1200 tonnes. This increase was aimed at guaranteeing more availability in the supply of product to customers during periods of high demand, and more operational flexibility in the low season.

4.2.3. MAINTENANCE

Maintenance activity in 2024 was focussed on increasing the reliability of equipment in order to guarantee the safety and productivity of the plants, in line with the best practices in the industry. Important activities this year include the preparation of the general shutdown, which will take place in March and April 2025, and the significant support given to the NaCl electrolysis conversion project.

In relation to the main indicators, in 2024:

- Maintenance costs were impacted by the general increase in the price of spare parts, which remained at the level of previous years, contrary to expectations. Not only did the continued political instability in some regions and the trade tensions between major powers, but also the high energy costs and the shortage of some noble alloys (nickel, for example) due to the needs of the electrical components industry, contribute to this increase;
- The weighted average availability of production units ended 2024 at 97.8%, in line with previous years, reinforcing the positive trajectory of availability and industrial safety in recent years. Of particular note is the figure achieved for MNB of 97.7%, representing a significant improvement on the previous year (96.6%), as well as for Nitric Acid where the year ended with a figure of 97.6%, compared to 94.8% in 2023;
- Maintenance carried out 65 investment projects, totalling 8.4M€.

In addition, in 2024 Reliability and Inspection deserve additional recognition as a result of the progress made in these two core areas of maintenance activity.

For the year 2025, the general shutdown stands out from the rest of the activity due to its complexity and the impact it has on the business. At the same time, the continued development of the Reliability and Inspection areas, as well as the consolidation of global weighted availability above 98.0%, will be part of the strategic priorities.

4.2.4. ANALYTICAL CONTROL

In addition to the analytical control of production processes, the laboratories also performed some tasks in 2024 that are worthy of note:

- Installation of a second ICP-OES, guaranteeing the availability of 100% analytical control of Primary Salt Treatment;
- As part of the NaCl Electrolysis Technology Conversion Project:
 - o Installation of a gas chromatograph to analyse the chlorine in the new electrolyzers;
 - o Analytical support for the performance tests of three new electrolyzers;
- SLA to Lifthium Energy, including ICP analytical support for laboratory tests.

The project to implement the Business Continuity Management System for Analytical Control was also carried out.

4.2.5. ASSET MANAGEMENT

In November 2024, the Asset Management Department was created with the premise of basing the business on the proper functioning of the assets, seeking to fulfil certain objectives, the most important of which are detailed below:

- Reduction of costs associated with the total life cycle (from acquisition to dismantling);
- Increase the value extracted from assets, guaranteeing maximum availability of equipment in factories;
- Optimising capital investment and production processes;
- Standardise assets and associated processes;
- Secure a competitive advantage over other competitors.

It is a transversal department that operates in the company's current facilities in Spain and Portugal and in the incorporations that are made to the group, either through the acquisition of existing factories or new facilities.

4.2.6. TECHNOLOGY

The year 2024 was marked by high levels of production (both in Estarreja and Torrelavega) and a very significant number of activities and projects, including 70 investments in the management of the Technology Department's areas totalling around €30 million. Regular control and monitoring of the investment portfolio was essential in order to end the year very close to the budget, with efficiency gains in project management.

Over the course of 2024, there have been several achievements that have made it possible to generate significant efficiency gains and contribute to reducing the environmental impact of operations. Among the various projects that led to these results, we would highlight the reduction in high-pressure steam consumption at PCA, the upgrade of the ECE boiler, the replacement of Evaporator E-08.01 at PCA, and the development of tools to monitor the performance of heat exchangers and steam traps. The NaCl electrolysis technology conversion project, critical to the continuity and competitiveness of Bondalti's business, has entered its execution phase, culminating in the commissioning of five new electrolyzers, carried out safely and on schedule.

Improving industrial security infrastructures, both physical and digital, was an important focus of the Technology Department's activity in 2024. Projects such as the modernisation of the RIA PCA pumping station, the installation and configuration of redundant firewalls for the OT network in Cantabria, and the implementation of Port Mirroring in the Port of Aveiro and Cantabria are examples of this effort.

This year also saw significant improvements in the modernisation and resilience of the electrical infrastructure, which is critical to Bondalti's operations, with the start of work on the extension of the PCA substation and the new PAD substation, and in the production of renewable energy for self-consumption, which will allow Bondalti to be more competitive in terms of the cost of energy consumed with the start of the photovoltaic park's implementation phase in partnership with GreenVolt.

The year 2024 was also marked by a significant increase in the resilience of the control systems and the operational availability of OT systems, including the DCS upgrade projects in Lavradio and the Port of Aveiro, the MNB processor upgrade, the upgrade of the water collection system in Estarreja, and the replication and redundancy of the Cantabria OT network's historical database. All carried out safely and without impact on the availability of operations.

In the field of digitalisation and real-time data visualisation, I would highlight the Ignition and ChemData pilot projects, which in the future will make it easier to access information, contributing to improved decision-making and gains in operational efficiency.

In terms of business growth, we highlight the conclusion of the FEED for the new chlorine plant in Estarreja and the technical support for the H2Enable and lithium production projects.

During the past financial year, increasing the availability of facilities and operational flexibility was also an important focus of activity, particularly with the project to increase hypochlorite storage capacity and the construction of an additional loading ramp and the entry into service of tank S207 at the Port of Aveiro. Technical support for operations, which cuts across all areas of the Technology Department, was essential for achieving high levels of production and maintaining key clients, as was the case with the activities associated with reducing the nitrophenol content in MNB for SpecGX.

In 2024, several curricular internships were carried out at master's and doctoral level. These internships provided the students with valuable practical experience and contributed to the progress of ongoing projects, while reinforcing Bondalti's commitment to training and developing new talent.

It is important to reinforce the technological surveillance work and the Bondalti Tech Talks sessions, where during 2024 the company hosted various experts to share knowledge and innovations. These sessions were key to keeping the teams up to date with the latest trends and technologies, promoting an environment of continuous learning and innovation.

4.2.7 INTEGRATED PRODUCTION AND ENERGY PLANNING

At its Estarreja site, Bondalti Chemicals consumed around 345 GWh of electricity in 2024, representing an increase of 3.8% compared to 2023, driven by the rise in production activity. Gas consumption was approximately 110 GWh/year, reflecting a 5% decrease compared to 2023, influenced by the implementation of energy efficiency measures.

The average unit cost of electricity rose significantly in 2024 compared to 2023. This was mainly due to the increase in regulated costs published by ERSE, including network access tariffs, new charges related to the social tariff, and an increased contribution to system services. Together, these factors increased the unit cost of electricity by around €45/MWh compared to 2023.

The year 2024 continued the trend of recent years, with high volatility in daily wholesale energy market prices. In 2024, the spread between the maximum and minimum hourly prices on the SPOT market was around €195/MWh, making it difficult to predict energy costs for production planning purposes.

There was also sustained activity related to the publication of new legislation and regulations, which impact the site's decarbonisation targets. This required significant effort from the relevant department to monitor the changes, particularly regarding European and national energy directives, updates to the status of electro-intensive consumers, the compensation mechanism for indirect CO₂ emitters, and the role of consumption flexibility in balancing the national electricity system. In this regard, Bondalti participated in system services markets, notably the manually activated Frequency Restoration Reserve (mFRR) market.

In 2024, 40% of electricity consumption came from renewable energy sources, with around 1 per cent produced locally through two photovoltaic installations that became operational in 2022.

Also noteworthy in 2024 was the continued focus on decarbonising energy consumption. The management team actively participated in the RePower Chemicals project and contracted the development of new self-consumption initiatives. These include the construction of two photovoltaic energy production parks for local self-consumption, totalling around 30 MWp, and the development of electricity storage systems using batteries, with a combined capacity of 12 MW/12 MWh at the two consumption facilities.

In 2024, Bondalti Chemicals successfully renewed its Energy Management System certification under ISO 50001, with no non-conformities identified, confirming the robustness of the system implemented and certified in 2021.

In the area of integrated production planning, 2024 saw the continuation of the Cleopatra 4.0 project, with the implementation of the new SAP-IBP system for monthly and weekly planning horizons. This project involved close collaboration among various areas, including Energy and Integrated Production Planning, the Estarreja and Torrelavega sites, Commercial, Supply Chain, and Management Control.

4.2.8 SAFETY, ENVIRONMENT AND QUALITY

In 2024, the Safety, Environment and Quality Department focused its efforts across its different areas of activity.

In the area of safety, the emphasis was on promoting effective behavioural change to improve safety performance, with the aim of reducing accident rates towards zero. The company was equipped with best practices and tools to ensure safe operations.

“Rules that Save Lives” were defined, communicated through training, and implemented. Throughout the year, Bondalti’s operations were consistently supported, with risk monitoring to ensure that all activities were carried out safely. The Bondalti Safety Observations programme continued, aimed at detecting and correcting unsafe acts or conditions through pedagogical dialogue. Investment was also made in emergency response training.

In the environmental field, efforts focused on significantly reducing the environmental impact of Bondalti’s activities by lowering emissions and resource consumption. The calculation of the carbon footprint per product was completed, as was the calculation of the company’s overall carbon footprint. In terms of waste management and recovery, a software application was acquired to integrate waste management across the two production sites, with compatibility with national waste platforms in Portugal and Spain. An automated Legionella control system was also fully implemented at the Estarreja site. There was continued focus on managing regulatory processes and environmental compliance, with dossiers submitted to support the licensing of new projects or changes.

In the area of quality, attention centred on continuous improvement of processes, with increased organisation and standardisation at both production sites. The use of LEAN tools was promoted and implemented, including training and practical application of methodologies for solving complex problems.

Across all three departments, due attention was paid to all aspects of legal and regulatory compliance and reporting. Several internal and external audits were conducted. In 2024, the company successfully renewed its integrated management system certification, which covers ISO 9001, 14001 and 45001 standards. These principles were integrated in close collaboration with other departments, supporting responsible corporate conduct.

4.3. SUPPLY CHAIN

Procurement

In 2024, global supply chains faced various challenges that affected their efficiency and resilience. Weather-related disruptions, fluctuations in raw material costs, geopolitical instability and logistical constraints impacted delivery times and operating costs. In addition to these challenges, growing pressure surrounding ESG issues became inescapable. As a result, the purchasing department adopted more agile strategies, strengthened supplier partnerships, enhanced supply chain visibility, and prioritised suppliers that implement sustainable practices — thereby reinforcing its commitment to more ethical and responsible supply chains. It was imperative to adapt to increasingly stringent sustainability regulations and to mitigate the potential impacts of geopolitical and climate-related crises.

The ability to anticipate and innovate will be crucial to ensuring more efficient, sustainable and resilient supply chains in the future.

In 2024, purchases totalling over 385 million euros were negotiated in the different categories.

Logistics

In 2024, Bondalti's Logistics operation handled more than 2.3 million tonnes.

With regard to maritime transport, an average of nine ships per month were operated, totalling 108 ships for the year. These ships transported more than 473 000 tonnes through Portuguese seaports. In terms of the distribution of transport modes for product movement, the breakdown was as follows: road/multimodal 56%, pipeline 22%, maritime 19% and rail 2%.

Bondalti's Logistics department maintained a strong focus on operational efficiency, cost optimisation and technological innovation. The use of SAP Transportation Management (SAP-TM) was consolidated in 2024 with the implementation of new functionalities that improved visibility and control over logistics operations, enabling quicker and more assertive decision-making. These advances reflect Bondalti's ongoing commitment to enhancing operational efficiency. The reduction in the average dwell time of vehicles at production sites demonstrates the effectiveness of the measures adopted to streamline logistics processes, accelerate operations and minimise waiting times — ensuring a more dynamic and efficient flow. The implementation of best practices, improvements in internal processes and more effective communication have further strengthened customer and partner confidence in Bondalti's logistics operations.

Looking ahead, Bondalti will continue to invest in innovation, digitalisation and sustainability in its logistics, ensuring that operations evolve in line with industry challenges and contribute to the company's competitiveness.

Product Regulation

In 2024, Bondalti continued to adapt to diverse chemical product regulations across various global regions, in a rapidly evolving international context. The European Commission progressed with its Chemicals Sustainability Strategy (CSS) and released its long-awaited communication on the essential use criterion—recognised as a key element for the effective implementation of the CSS. The new Regulation on Ecodesign Requirements for Sustainable Products (ESPR) identifies chemicals as a priority sector under the new framework. A central element of the ESPR is the Digital Product Passport (DPP), which underscores the importance of information availability and transparency.

The revision of the CLP Regulation marked a significant milestone, introducing new labelling and classification requirements for hazardous substances and prompting the need for increased efforts in legal compliance.

The former President of the European Central Bank, Mario Draghi, highlighted REACH and the proposed restriction on PFAS as examples of regulatory barriers to investment and growth in the European Union.

Bondalti remains a member of Cefic and continues to participate in various forums addressing topics relevant to the chemical industry. There is anticipation for greater engagement and clarity on regulatory issues in 2025.

4.4. HUMAN RESOURCES

In 2024, implementation of the Human Resources plan continued, based on 4 strategic axes: Global Management, Continuous Development, Cohesion and Well-Being and Renewal. These strategic axes are aligned with the corporate strategy and EFR (Family Responsible Company) measures plan.

Attracting and managing talent is a key pillar of Bondalti's strategy, reflecting its commitment to building a high-performing team. The company maintains a strong focus on attracting top professionals, taking part in job fairs, promoting opportunities both internally and externally, and investing in partnerships with academic institutions to support internships, master's programmes and doctoral research. These initiatives are complemented by strategic relationships with carefully selected recruitment companies who act as brand ambassadors, ensuring a human-centred and lasting approach when engaging with candidates.

Bondalti's growth strategy centres on affirming a unique and clear employer brand identity.

The company's organisational culture fosters a collaborative, close-knit and autonomous working environment that enables employees to fulfil their potential. Built on trust, competence and integrity, Bondalti aims to contribute to a better world by creating meaningful experiences and long-term connections that acknowledge and value each individual's unique contribution.

This purpose is achieved through initiatives focused on personal and professional development, including leadership programmes, team-building activities, and dynamic onboarding processes. The company's onboarding and integration strategy is based on welcoming, engaging and empowering its people.

Bondalti offers a wide range of benefits across various areas, such as health, education and well-being. These benefits are essential to maintaining a healthy and productive working environment, where employees feel valued and supported.

Training and development are fundamental to Bondalti's strategy, reflecting the company's ongoing commitment to the personal and professional growth of its teams. A dynamic and personalised approach is promoted, allowing employees to identify their own training needs through the self-proposed training methodology. These proposals are incorporated into the annual training plan, which also includes cross-cutting initiatives focused on areas such as languages, safety, and digital tools.

A dedicated platform is used to digitalise and centralise training management, enabling effective monitoring of employee progress. Bondalti invests significantly in programmes such as 4x4Training, aimed at qualifying Industrial Chemistry Technicians, as well as in targeted training on subjects such as safety.

With a significant volume of training hours delivered, Bondalti reinforces its mission to stay at the forefront of technological advancement and to equip its teams to meet the challenges of digital transformation. These initiatives highlight the company's continuous commitment to empowering its people and reinforcing its position as a leader in the chemical industry.

Bondalti is committed to fostering an inclusive, welcoming and diverse culture, where everyone is valued and encouraged to reach their full potential.

From a generational perspective, the year was marked by continued implementation of the Group's Rejuvenation Plan, which focuses on knowledge sharing and intergenerational relationships, ensuring coherence with the succession plan in place.

Bringing together four generations of employees from different nationalities has strengthened the organisation's learning culture — an essential pillar for building a more inclusive environment that embraces new ways of thinking and acting.

The inclusion of people with disabilities is supported through partnerships with recruitment agencies who promote accessible job opportunities. Since 2020, Bondalti has been part of the Inclusive Community Forum (ICF), an initiative by Nova SBE that encourages companies to take an active role in creating more inclusive communities.

The recruitment and onboarding process at Bondalti is tailored to the needs of people with disabilities and is closely supported by an Inclusion Tutor, who is responsible for ensuring that optimal conditions are in place for their successful integration and performance.

Staff

a) Average staff 2024

Company	2024	2023
Bondalti Chemicals	295	281
Elnosa	5	5
Renoeste	-	2
Bondalti Cantabria	44	44
Total	344	307

(excluding directors)

b) Pensioners

Date	Assets	Survivors	Retired	Total
31/12/2024	0	45	37	82
31/12/2023	1	44	44	89

c) Internships

Internships and scholarships	2024	2023
Doctorate scholarships	3	2
Curricular internship	6	8
Company internship	6	3
Total	15	13

4.5. SUSTAINABILITY AND CLIMATE TRANSITION

Climate Transition Strategy

With the aim of continuing the review of the Climate Transition Strategy, the Climate Transition Council (CTC) was established in the first half of 2024 to support the development and implementation of Bondalti's Climate Transition Strategy and all actions related to the Group's climate transition (policies, procedures, controls, measures, and so on).

Also in the first half of the year, Bondalti Chemicals, S.A. committed to the Science Based Targets initiative (SBTi) to define science-based GHG emission reduction targets aligned with the Paris Agreement. These targets will subsequently be submitted to, and approved by, this internationally recognised body.

In 2024, for the third consecutive year, Bondalti responded to the CDP in the Climate Change category. This year, for the first time, it submitted its response independently and publicly. The company achieved a score of B, marking an improvement on the previous year's performance and reinforcing its commitment to transparency and climate action.

To continue the Energy Efficiency Plan developed in 2022, Bondalti, in partnership with DECO, created a personalised questionnaire through which all employees (in Portugal and Spain) had the opportunity to measure their carbon footprint.

To manage climate risks, in 2024 Bondalti began a project to define a detailed plan encompassing the identification of key physical and transition risks, analysis of internal and external contexts, assessment of their causes and potential consequences, and implementation of control measures and risk indicators to effectively mitigate these impacts.

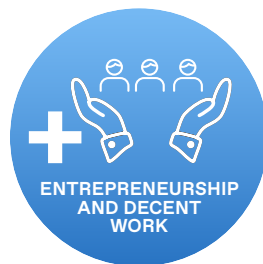
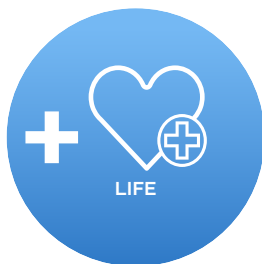
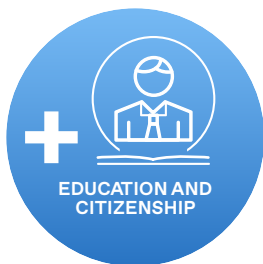
In addition, the company is working on climate change adaptation and on managing the potential financial impacts associated with it. This effort forms part of a holistic approach that includes governance, strategy definition, impact analysis, risk and opportunity management, as well as the monitoring of metrics and the setting of climate-related targets.

Sustainability in the value chain

In 2024, a project was launched under the joint responsibility of the Sustainability and Climate Transition department and the Supply Chain department, with the aim of managing ESG issues in the supply chain and implementing sustainable procurement procedures, along with a digital platform specialised in supplier evaluation and engagement. This project aims to structure and standardise supplier assessment and qualification based on ESG criteria, providing Bondalti with a broader and more integrated view of the risks, sustainability, and compliance of its business partners.

Together Matters Corporate responsibility and impact investment programme

The year 2024 marked a significant step forward in the implementation of Bondalti's new corporate responsibility strategy, Together Matters, with the addition of new partners and projects that expanded the range of initiatives supported by the company. The five strategic pillars of Together Matters guide the mission of giving back to society and nature, in greater measure, all that Bondalti benefits from:



Strategic partnerships

At the invitation of the United Nations Global Compact Network Portugal, Bondalti took part in COP29 in Azerbaijan, participating in three round tables on the following topics: "Supply Chain Integrity: Ensuring Human Rights Across

Borders," "The Scope 3 Challenge: Decarbonisation Across Industries," and "Building Water Resilience to Achieve Long-term Sustainability."

Bondalti continued to participate in the BCSD Portugal Charter of Principles Committee, as a member of the task force dedicated to the development of the Jornada 2030, a systematic approach for implementing the Principles established in the Charter for signatory companies, through a set of objectives, targets and indicators in furtherance of sustainability.

In 2024, Bondalti continued to fill out the 2030 Journey Platform questionnaire, enabling monitoring and comparison with the results obtained in the previous year.

In addition, the company maintained its participation in several BCSD Portugal working groups, specifically those on Circular Economy, Value Chain, Biodiversity, and Diversity, Equity and Inclusion.

Strengthening its partnership with BCSD Portugal, Bondalti was invited to join the working groups of the RAISE-PT project: Round Tables for Action and Investment in Sustainable Energy in Portugal, participating in the Energy Transition in Industry and Energy Poverty in Housing groups, a joint initiative involving multiple institutions. This initiative culminated in a member event, RAISE TALKS: Pathways to the Energy Transition, where the case studies developed during the year by the working groups were presented. Bondalti presented the case study "Integrated solutions for the green transition of the chemical industry."

Bondalti also participated in the creation of the Ethics and Integrity collection, a set of practical guides to support SMEs in implementing the General Regime for the Prevention of Corruption (RGPC). The collection was developed within the framework of the PPI – Portuguese Platform for Integrity, of which Bondalti has been a signatory since 2023, in a joint initiative of the United Nations Global Compact Network Portugal and APEE - Portuguese Business Ethics Association.

Reporting, ratings and recognition

In the second half of the year, Bondalti launched a global project aimed at diagnosing and defining the requirements applicable to the company in light of new regulatory obligations – the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Taxonomy of Sustainable Activities (EU Taxonomy). This initiative has been named Sustainability Journey.

In 2024, Bondalti revised its double materiality process, building on the previous exercise (which began in 2022 and concluded with results in 2023), in order to meet the requirements of the new CSRD and the European Sustainability Reporting Standards (ESRS). This will serve as the foundation for future CSRD reports, which, for Bondalti, will come into force in the 2025 financial year.

Following the identification of material topics, a gap analysis was carried out in line with the ESRS structure of topics, sub-topics, and sub-sub-topics, as mapped in the double materiality assessment. This is a highly significant project for the future of sustainability reporting at Bondalti, as it has identified key areas where the company must prioritise the updating of data, targets, policies and other elements.

In 2024, Bondalti was once again awarded the EcoVadis Platinum Medal, scoring 83 out of 100 points and reinforcing its position in the chemical sector. This latest EcoVadis assessment involved an increased effort from all of the company's teams, as it required the alignment and simultaneous use of data from both 2022 and 2023.

As a signatory of CEFIC's Responsible Care® initiative, Bondalti Chemicals participated in the 2024 Responsible Care Awards, which recognised projects and initiatives shaping the future of the European chemical industry. In 2024, the initiative evaluated five categories, with Bondalti winning three of them:

- Digitalisation and Innovation, with the SamGUARD project
- Partnerships, with the Together Matters project
- Process Safety, with the Cyber Security with AI project.

In the first half of 2024, Bondalti also took part in the National Sustainability Award ceremony (organised by Jornal de Negócios), following the submission of two applications in 2023: Bonding with Nature, in the Sustainability Communication category, and ElectroLithium, in the Decarbonisation category.

For the second year running, Bondalti's Integrated Report was recognised as an example of good practice by the Observatory of the SDGs in Portuguese Companies—an initiative of the Portuguese Catholic University and the Centre for Responsible Business and Leadership. In 2024, it received a score of 5.1 (on a scale of 1 to 7), an improvement over the previous report. This recognition reinforces Bondalti's position, underlining its role in implementing the Sustainable Development Goals (SDGs) within the Portuguese business context.

Bondalti also completed the Communication on Progress (COP) questionnaire for the second consecutive year as a participant in the UN Global Compact. The COP is a comprehensive report in which companies communicate their activities in alignment with the UN Global Compact Principles, demonstrating their ongoing commitment.

5. ECONOMIC AND FINANCIAL ANALYSIS

Bondalti Chemicals continues to maintain a very robust economic and financial position, having recorded a consolidated EBITDA of 65.8 million euros and Net Profit of 38.2 million euros in 2024.

The company ended the financial year with a turnover of 489 million euros, representing an increase of 21.3 million euros compared to the previous year, reflecting a rise in the price of key raw materials.

Bondalti Chemicals' treasury continued to demonstrate the resilience that has characterised it in recent years. Receipts from clients and payments to suppliers remained within the expected timeframes and in line with previous years.

Consolidated net debt increased to 48.3 million euros, compared to 20.9 million euros in 2023, in a year marked by significant investment in the Estarreja Chemical Complex. Nevertheless, debt levels remain low, despite a slight increase in the consolidated Net Debt to EBITDA ratio to 0.8x, reflecting a decrease in cash and cash equivalents and a reduction in EBITDA compared to the previous year.

Bondalti Chemicals' consolidated financial autonomy ratio remained at a high level, reaching 42.5% in 2024, a slight decline from 42.9% in 2023.

In connection with the public takeover bid for 100% of the shares of the Spanish company Ercros, S.A., via its subsidiary Bondalti Ibérica, S.L.U. — established for this purpose in February 2024 — Bondalti Chemicals negotiated financing of 405.5 million euros, which also includes the refinancing of all its existing debt. The entry into force of this financing is conditional on the successful completion of the Ercros transaction.

In 2024, Bondalti Chemicals also signed, together with IAPMEI, the acceptance agreement for Agenda C11 of the PRR (Support for the Decarbonisation of Industry), under which Bondalti received 7 million euros as an advance payment for this project.

The results were also impacted by the consolidation of earnings from subsidiaries:

- Nutriquim, which has no operational activity, recorded net losses of just over one thousand euros;
- Bondalti Cantabria posted net profit of 4.342 million euros, reflecting an expected decline compared to the previous year;
- AQP recorded net profit of 723 thousand euros, a slight decrease compared to the previous year;
- Elnosa reported net profit of 552.9 thousand euros;
- Bondalti H2 posted positive net profit of 215.8 thousand euros;
- Bondalti Ibérica, incorporated in 2024 for the purpose of launching the takeover bid for Ercros, S.A., reported a net loss of 1.364 million euros.

6. ACTIVITIES OF ASSOCIATED ENTERPRISES

ELNOSA - Electroquímica del Noroeste, S.A.U.

In 2024, Elnosa continued to focus its activity on trading products manufactured by external entities, namely Bondalti Chemicals. Turnover in this business area amounted to 14.7 million euros, a decrease of 5.4 million euros compared to 2023, mainly due to the fall in raw material prices compared with the previous year.

The net result was a profit of 553 thousand euros.

AQP - Aliada Química de Portugal, S.A.

The 2024 financial year at Aliada Química de Portugal was operationally very stable. Turnover reached 5.5 million euros, the highest ever, exceeding the previous year by 0.1 million euros.

A net profit of 723 thousand euros was recorded for the 2024 financial year.

NUTRIQUIM - Produtos Químicos, S.A.

The company ceased production in May 2012. In July 2017, the Portuguese Environment Agency (APA) approved the decommissioning of the facilities.

By early 2021, all dismantling works had been completed. In 2022, only the removal of remaining demolition materials — pending an opinion from the APA — was still outstanding, a matter that remains unresolved to date.

In 2024, a net loss of one thousand euros was reported.

BONDALTI CANTABRIA, S.A.

In 2024, Bondalti Cantabria's activity was characterised by production operating almost continuously at maximum capacity, in line with previous years. Turnover declined to 39.7 million euros, mainly due to the fall in raw material prices.

In the financial year 2024, net earnings of 4.342 million euros were reported.

MIRALCALIS - Activos de Produção de Cloro, S.A.

As part of the conversion of a chlor-alkali unit in Spain for Electrolysis of Membrane Cells by Bondalti Cantabria, S.A., in 2017, the company Miralcalis - Activos de Produção de Cloro, S.A. was incorporated under Portuguese law, the capital of which is 80% owned by Bondalti Chemicals, and 20% owned by minority investors.

In early 2018, fulfilling the first objective of its incorporation, this company took a 20% stake in the company Bondalti Cantabria, S.A.

At the end of 2021, the shareholder Bondalti Chemicals S.A. acquired 20% of the shares from minority investors, becoming its sole shareholder and holding 100% of the shares of Miralcalis - Activos de Produção de Cloro, S.A.

The net profit of 789 thousand euros recorded in the year resulted from the imputed gains of Bondalti Cantabria and the recognition of interest on shareholder loans held by Bondalti Chemicals.

BONDALTI H2, S.A.

Bondalti H2, S.A., wholly owned by Bondalti Chemicals, was established in 2023 with the purpose of leading the development of the "green hydrogen" production project — hydrogen generated via water electrolysis using renewable electricity — at the Estarreja Chemical Complex.

In 2024, the company focused on developing several business fronts essential for the investment decision, particularly the signing of memoranda of understanding with potential future buyers for the entire volume of hydrogen to be produced.

As a result of its activity, a net profit of 216 thousand euros was achieved in 2024.

BONDALTI IBÉRICA, S.L.U.

At the beginning of 2024, with a view to launching a takeover bid for the Spanish company Ercros, S.A., a wholly owned Spanish subsidiary was established in Barcelona.

On 5 March, Bondalti Ibérica announced its takeover bid for Ercros, S.A. The process is currently underway and is expected to conclude in 2025.

Bondalti Ibérica reported a net loss of 1.364 million euros, mainly due to financial costs associated with the bank guarantee covering the bid amount submitted to the CNMV in Spain.

7. PROSPECTS FOR DEVELOPMENT IN 2025

2025 will be a year of general downtime at the Estarreja site. The complexity and demands of this task will require significant effort from several areas within Bondalti, highlighting the importance of the general shutdown for the business and for the continuous improvement of the site's operations.

As previously mentioned, the outcome of the takeover bid for Ercros, S.A. is expected during 2025, most likely in the second half of the year.

Bondalti will continue to keep a close eye on energy costs, price trends in raw materials and other services, such as transport, and compliance with the investment plan to improve the specific consumption of its units.

With regard to investments in Bondalti's units, strong investment is expected to continue in Estarreja, particularly in the chlorine and derivatives production activity, with the completion of the NaCl electrolysis conversion project being of particular note.

Bondalti's priority will always remain the safety of people and facilities, and ensuring the normal operation of production units, both in Portugal and in Spain.

8. PROPOSAL FOR APPROPRIATION OF PROFIT

The Board of Directors proposes that the net profit generated in the year, in the amount of 38 168 496.86 euros, should be distributed as follows:

Dividends	6 100 000.00 €
Retained earnings	32 068 496.86 €

The net profit for the year corresponds to the net profit presented in the individual financial statements, which includes 4 004 725 euros of income recognised through the equity method. This amount may only be distributed to shareholders once it has been realised.

9. CLOSING REMARKS

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

Porto Salvo, 28 March 2025

The Board of Directors

João Maria Guimarães José de Mello – Chair

André Cabral Côrte-Real de Albuquerque – Director

João Jorge Gonçalves Fernandes Fugas – Director

Luís Augusto Nesbitt Rebelo da Silva – Director

Luís Henrique Marcelino Alves Delgado – Director

BONDALTI



Consolidated Financial Statements

2024 FINANCIAL YEAR

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024 and 2023

RUBRICAS	NOTAS	31/12/2024	31/12/2023
Assets			
Non-Current Assets			
Property, Plant and Equipment	6	148 046 154	126 699 840
Right-of-use assets	7.1	14 370 640	16 350 731
Investment Properties	8	11 066 308	11 811 971
Goodwill	9.2	139 230	139 230
Intangible Assets	9.1	9 429 825	8 559 782
Financial Holdings - Equity Method	10	977 651	1 056 630
Financial Holdings - Other Methods	10	91 326	101 837
Other Financial Assets	14.5	61 180 000	61 232 314
Deferred Tax Assets	29	430 174	3 099 351
		245 731 308	229 051 686
Current Assets			
Inventories	11.1	29 125 056	32 347 041
Trade Debtors	14.1	56 377 472	45 549 908
State and Other Public Bodies	12	2 324 302	2 000 855
Other Receivables	14.1	10 910 911	6 144 582
Deferrals	13.1	1 381 358	3 939 252
Cash and Bank Deposits	4	20 897 570	55 696 592
		121 016 670	145 678 230
		366 747 979	374 729 916
Equity and Liabilities			
Equity			
Subscribed Capital	17.1	30 550 000	30 550 000
Share Premiums	17.2	661 000	661 000
Legal Reserves	17.2	6 110 000	6 110 000
Other Reserves	17.2	12 082 563	12 575 991
Unappropriated Earnings	17.2	83 797 183	66 625 240
Adjustments and Other Changes in Equity	17.3	(15 397 554)	(13 990 059)
Net Earnings for the Period		38 168 497	58 178 515
Total Equity		155 971 689	160 710 687
Liabilities			
Non-Current Liabilities			
Accrued Liabilities	15	471 184	527 148
Borrowings	14.4	37 609 067	51 621 185
Lease liabilities	7.2	12 558 451	14 345 235
Liabilities for Post-Employment Benefits	16.1	2 065 014	1 892 172
Deferred Tax Liabilities	29	1 451 204	1 594 458
Other Payables	14.3	743 456	1 221 512
		54 898 376	71 201 710
Current Liabilities			
Trade creditors	14.2	60 051 390	54 607 708
Lease liabilities	7.2	2 278 789	2 322 670
Advances from Customers	14	726 294	309 128
State and Other Public Bodies	12	2 307 719	3 781 226
Borrowings	14.4	31 631 517	25 000 000
Other Payables	14.3	27 733 965	33 304 897
Deferrals	13.2	31 148 240	23 491 891
		155 877 914	142 817 520
Total Liabilities		210 776 290	214 019 229
Total Equity and Liabilities		366 747 979	374 729 916

(Amounts stated in euros)

CONSOLIDATED STATEMENT OF INCOME BY NATURE OF EXPENSE

Period ended 31 December 2024

INCOME AND EXPENSES	NOTES	31/12/2024	31/12/2023
Sales and Services	19	489 071 595	467 708 106
Revenue Grants	18	1 751 573	1 534 829
Gains/Losses of Subsidiaries, Assoc. Enter. and Joint Ventures	20	360 851	439 830
Changes in Production Inventories	11.2	(2 504 572)	(2 449 357)
Own Work Capitalised	21	411 542	256 195
Cost of Goods Sold and Materials Consumed	11.3	(303 865 604)	(273 724 527)
External Charges for Services	22	(108 188 841)	(82 319 234)
Staffing Costs	16.4	(22 669 040)	(20 418 220)
Impairment of Inventories (Losses/Reversals)	11.4	(10 116)	(355 875)
Impairment of Receivables (Losses/Reversals)	14.1	(216 258)	-
Impairment of Other Assets	10.2	(23 011)	(117 446)
Other Income	23	16 813 129	18 322 718
Other Expenses	24	(5 172 900)	(5 416 066)
Earnings Before Interest, Taxes, Depreciation and Amortisation		65 758 350	103 460 954
Depreciation and Amortisation Expenses/Reversals	26	(23 451 139)	(22 142 013)
Depreciation and Amortisation Expenses/Reversals - Leases	26	(2 472 037)	(2 456 740)
Earnings Before Interest and Taxes		39 835 174	78 862 200
Interest and Similar Income Earned	27	3 424 054	2 857 842
Interest and Similar Expenses Incurred	28	(5 025 095)	(2 614 723)
Financial expenses - Leases	28.1	(423 376)	(387 552)
Earnings Before Tax		37 810 757	78 717 768
Income Taxes for the Period	29	357 740	(20 539 252)
Net Earnings for the Period		38 168 497	58 178 515
Net Earnings for the Period attributable to:			
Parent Company Shareholders		38 168 497	58 178 515
Non-controlling interests		-	-
		38 168 497	58 178 515

(Amounts stated in euros)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2024

	31/12/2024	31/12/2023
Consolidated net earnings for the year	38 168 497	58 178 515
Amounts that may subsequently be reclassified to profit or loss		
Other comprehensive income for the period	(1 407 495)	(2 699 095)
Adjustments relating to the recognition of deferred taxes through Other Comprehensive Income	-	575 546
Total comprehensive consolidated income for the year	36 761 002	56 054 966
Attributable to:		
Shareholders of the Parent Company		
Continued operations	36 761 002	56 054 966
	36 761 002	56 054 966

(Amounts stated in euros)

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 2024

Period ended 31 December 2024

Descrição	Notes	Subscribed Capital (Note 17.1)	Share Premiums	Legal Reserves (Note 17.2)	Other Reserves (Note 17.2)	Adjustments / Other changes in Equity (Note 17.3)	Unappropriated Retained Earnings	Net Income for the Period (Note 17.2)	Total Equity
POSITION AT THE BEGINNING OF THE PERIOD 2023	1	30 550 000	661 000	6 110 000	14 558 426	(13 968 121)	44 989 464	56 504 951	139 405 720
DISTRIBUTION OF PROFITS									
Transfer of Earnings for the year to Unappropriated Retained Earnings		-	-	-	-	-	56 504 951	(56 504 951)	-
	2				-	-	56 504 951	(56 504 951)	-
CHANGES IN THE PERIOD									
Deferred Tax Adjustments		-	-	-	575 546	-	-	-	575 546
Other changes recognised in Equity		-	-	-	(2 557 981)	(21 939)	(119 175)	-	(2 699 095)
	3				(1 982 435)	(21 939)	(119 175)	-	(2 123 549)
NET EARNINGS FOR THE PERIOD	4							58 178 515	58 178 515
COMPREHENSIVE INCOME	5=3+4							58 178 515	56 054 966
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD									
Distributions		-	-	-	-	-	(34 750 000)	-	(34 750 000)
	6	-	-	-	-	-	(34 750 000)	-	(34 750 000)
POSITION AT THE END OF THE 2023 PERIOD	7=1+2+5+6	30 550 000	661 000	6 110 000	12 575 991	(13 990 059)	66 625 240	58 178 515	160 710 687
POSITION AT THE BEGINNING OF THE PERIOD 2024	7	30 550 000	661 000	6 110 000	12 575 991	(13 990 059)	66 625 240	58 178 515	160 710 687
DISTRIBUTION OF PROFITS									
Transfer of Earnings for the year to Unappropriated Retained Earnings		-	-	-	-	-	58 178 515	(58 178 515)	-
	8	-	-	-	-	-	58 178 515	(58 178 515)	-
CHANGES IN THE PERIOD									
Revaluation surpluses of property, plant and equipment and intangible fixed assets and respective variations		-	-	-	(636 682)	-	636 682	-	-
Deferred Tax Adjustments		-	-	-	143 253	-	(143 253)	-	-
Other changes recognised in Equity		-	-	-	-	(1 407 495)	-	-	(1 407 495)
	9	-	-	-	(493 428)	(1 407 495)	493 428	-	(1 407 495)
NET PROFIT FOR THE PERIOD	10							38 168 497	38 168 497
COMPREHENSIVE INCOME	11=9+10							38 168 497	36 761 002
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD									
Distributions		-	-	-	-	-	(41 500 000)	-	(41 500 000)
	12	-	-	-	-	-	(41 500 000)	-	(41 500 000)
POSITION AT THE END OF THE 2024 PERIOD	13=7+8+11+12	30 550 000	661 000	6 110 000	12 082 563	(15 397 554)	83 797 183	38 168 497	155 971 689

(Amounts stated in euros)

CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 31 December 2024

CAPTIONS	NOTES	31/12/2024	31/12/2023
CASH FLOW FROM OPERATING ACTIVITIES - DIRECT METHOD			
Receipts from Customers		552 564 787	548 701 086
Payments to Suppliers		(430 399 979)	(386 488 734)
Payments to Staff		(23 060 297)	(22 013 450)
	Cash generated by operations	99 104 511	140 198 902
Income tax payments/receipts		(12 819 812)	(17 848 223)
Other receipts/payments		(33 805 873)	(28 964 852)
Cash flow from operating activities (1)		52 478 825	93 385 827
CASH FLOW FROM INVESTING ACTIVITIES			
Payments with respect to:			
Property, Plant and Equipment		(40 627 221)	(24 901 773)
Financial Investments		-	(369)
Other Assets		(43 315 000)	(21 200 000)
		(83 942 221)	(46 102 143)
Receipts from:			
Property, Plant and Equipment		442 361	3 481
Investment Properties		731 814	203 778
Financial Investments		1 612 296	566
Other assets		43 315 000	21 251 266
Investment grants		10 679 397	18 032 800
Interest and similar income		3 311 976	305 476
Dividends		439 830	190 226
		60 532 674	39 987 595
Cash flow from investing activities (2)		(23 409 547)	(6 114 548)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts coming from:			
Borrowings		24 000 000	-
		24 000 000	-
Payments with respect to:			
Borrowings		(38 337 373)	(24 000 000)
Lease liabilities - payments		(2 970 902)	(2 462 614)
Lease liabilities - interest		(2 542 858)	(2 203 964)
Interest and similar expenses		(2 441 824)	(371 079)
Dividends		(41 500 000)	(32 750 000)
		(87 792 956)	(61 787 658)
Cash flow from financing activities (3)		(63 792 956)	(61 787 658)
Changes in cash and cash equivalents (1+2+3)		(34 723 678)	25 483 622
Cash and its equivalents at the start of the period	4	55 696 592	30 212 970
Change in the Consolidation Perimeter		(75 343)	-
Cash and cash equivalents at the end of the period	4	20 897 570	55 696 592

(Amounts stated in euros)

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2024 FINANCIAL YEAR

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1. IDENTIFICATION OF THE ENTITY

The Bondalti Chemicals Group is headed by Bondalti Chemicals, S.A., with its registered office and factory located in Estarreja. The company was incorporated on 30 December 1977 and its corporate purpose is the industrial and commercial activity of organic and inorganic chemical products.

The parent company, Bondalti Capital, S.A., is headquartered in Lisbon and is wholly owned by José de Mello Capital, S.A., the Group's ultimate parent. Both companies prepare consolidated financial statements that include the financial statements of the Bondalti Chemicals Group.

The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors and authorised for issue on 28 March 2025.

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 preparing 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 2024 and adopted by the European Union.

The Bondalti Chemicals Group's consolidated financial statements are presented in euros, rounded to the nearest unit, as this is the functional currency of the Group's operations and is therefore considered its functional currency.

The accompanying consolidated financial statements have been prepared from the accounting records of the company and its subsidiaries and associates, adjusted during the consolidation process, and based on the going concern assumption. 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 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.

2.2 MAIN RECOGNITION AND MEASUREMENT CRITERIA

(1) Property, plant and equipment

Property, plant and equipment refers to goods used in production, services provided 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:

	2024	2023
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, form part of the cost of the corresponding item of property, plant and equipment, and are depreciated over the useful life of the assets to which they relate.

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

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

Any gain or loss resulting from the 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 capitalization;
- 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.

ted 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 previously expected date;

- 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. Impairment reversals are recognised in profit or loss and shall not exceed the carrying amount that would have been determined had no impairment loss 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:

	2024	2023
Buildings and Other Structures	2.00 - 10.00	2.00 - 10.00

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, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Costs related to internally generated intangibles, excluding development costs in certain circumstances, are considered an expense and are reflected in the income statement in the year in which the expense is incurred, except in situations where these expenses are directly associated with projects for which it is probable that future economic benefits will be generated for the Group. In these situations, the expenses are capitalised as intangible assets.

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 con-

tinues 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 called “Depreciation and Amortisation Expenses/Reversals”.

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

	2024	2023
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
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 derecognition of an intangible asset (calculated as the difference between the sale value less selling costs and the book value) is included in the profit or loss for the year in which the asset is derecognised.

Below are some specifics regarding each type of intangible asset.

(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) 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.

(3.3) Emission Rights

CO₂ emission licences allocated to the Group under the National Allocation Plan for CO₂ Emission Licences are recognised under Intangible Assets against Deferrals, at their 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 CO₂ emissions made by the Group, and based on the FIFO method, a Depreciation and Amortisation expense is recognised against Accumulated Amortisation of Intangible Assets.

Whenever the Group emits CO₂ without holding the corresponding licences, a provision is recognised for the amount corresponding to the best estimate of the price required to obtain them, plus an estimate of the penalties expected to be incurred for emitting CO₂ without a licence.

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

Since there is an active market for emission rights, these are revalued at the end of each period to their market value, while the account 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. A contract meets the definition of a lease if it grants the right to control the use of an identified asset for a specified period in exchange for consideration.

(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 the exemption from recognition to leases of low-value assets for 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.

(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 impairment, assets are allocated at the lowest level for which there are separate identifiable cash flows (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 includes 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 entities.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Under the equity method, the investment in an associate is initially recognised at cost.

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

- Is increased or decreased to recognise the Group's share of the results of associates after the acquisition date;
- Is reduced by the profit distributions received;
- And is increased or decreased to reflect, against Equity, changes in the Group's proportional interest in associates resulting from changes in their equity that have not been recognised in the respective results.

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

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

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 lower than the fair value of the net assets of the acquired associate, the difference is recognised directly in the income statement.

(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 outstan-

ding capital. This assessment, known as the “cash flows from capital repayments and interest payments only” test, is performed for each financial instrument.

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:

a). 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 “Clients” and “Other receivables”.

b). 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, the exchange differences and the 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 2024, the Group does not have any financial assets classified in this category.

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

Upon initial recognition, a decision may be made 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 2024, the Group does not have any financial assets classified in this category.

d). 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 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 2024, 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 transferring your rights to receive cash flows from an asset or being part of an arrangement that may enable de-recognition, assess whether, and to what extent, the risks and rewards 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. The continued involvement that assumes the form of a guarantee over the asset transferred 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.

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. The Group's financial liabilities include accounts payable to suppliers and other creditors, loans, including bank overdrafts, repayable grants, and others.

Subsequent measurement

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

- 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 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 grants 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

(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.

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 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. In the case of tax proceedings, these are increased annually by calculating interest and fines, as determined by law.

(8.2) Current tax

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 heading and not in the income statement. The Board of Directors periodically evaluates the positions taken in tax returns with respect to situations where the applicable tax legislation allows for interpretation, and makes provisions where appropriate.

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

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

	Country	Rate 2024	Rate 2023
Income Tax (ID)	Portugal	21.0%	21.0%
Surcharge	Portugal	1.5%	1.5%
State Surcharge	Portugal	3% - 9%	3% - 9%
Income Tax (ID)	Espanha	25.0%	25.0%

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

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

(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 materials and consumables	Acquisition cost (*)	Average cost
Intermediate and finished products	Production cost (*)	Average cost
Products and work in progress	Production cost (*)	Average cost

(*) Or Net Realisable Value, whichever is the 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 production overheads);
- 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 heading correspond to cash and other deposits, maturing in less than three months, and which are immediately drawable with an insignificant risk of change in value.

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

(11) State or other Public Bodies

The asset and liability balances of this heading 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**

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

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

(13.2) Other reserves

This heading includes revaluation reserves established under the terms of the previous GAAP – Generally Accepted Accounting Principles, and those established on the transition date, net of the corresponding deferred taxes, and which are not presented under the heading 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 item includes results carried over from previous years. In accordance with articles 32(2) and (3) of the CSC, gains from increases in fair value and gains resulting from the application of the equity method are only available for distribution when the items or rights that gave rise to them are sold, exercised, extinguished, or liquidated, or, in the case of the equity method, realised.

(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 variability, exchange risk, commodity price risk under a commitment or a high probability of a future transaction, which, according to Article 32(2) of the CSC, will only be available for distribution when the elements or rights that gave rise to them are sold, exercised, cancelled or liquidated.

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

(14) Subsidies

Non-repayable subsidies related to tangible and intangible assets are recognised in the consolidated statement of financial position as "Deferrals".

Non-refundable subsidies not related to assets are recognised under this heading only when there is reasonable certainty that the company has complied, or will comply, with the conditions attached to them and that the subsidy 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) Provisions

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

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

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.

(16) 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.

(16.1) 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.

(16.2) Holiday and holiday allowance

The recording of holiday pay as an accrued expense is in accordance with the Labour Code, as holiday entitlements and holiday bonuses are earned in the current year of employment and paid in the following year. Thus, an increase in the amount payable in the following year was recognised in the profit or loss for the year, which is reflected in the heading "Other Payables".

(17) 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.

(18) 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.

The companies' revenue comes mainly from the sale of organic and inorganic chemical products.

The Group recognises revenue in accordance with IFRS 15, which establishes that an entity recognises revenue to reflect the transfer of goods and services contracted by customers, in an amount that corresponds to the consideration that the entity expects to be entitled to receive in return for the delivery of those goods or services, based on the five-step model below:

1. Identification of the contract with a customer;
2. Identification of the performance obligations;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations; and
5. Recognition of the revenue when or as the entity satisfies a performance obligation.

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.

(19) Interest and similar expenses incurred

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

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

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

(20) 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.

(21) 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 quoted prices in an active market;
- **Level 2:** for items with quoted prices 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.

(22) 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 realised within twelve months of the reporting date;
- It is cash or cash equivalents, unless there are restrictions on their exchange or they are used to settle a liability at least up to twelve months after the reporting date.

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.

23) Subsequent events

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

2.3 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 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 subsidiaries in the preparation of their individual financial statements have been amended, where necessary, 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. The costs of the acquisition are recognised as they are incurred and included in administrative expenses.

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 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.

When losses attributable to shareholders of non-controlling interests exceed their interest in the equity of the subsidiary, the Group absorbs that 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.

2.4 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:

(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) Post-employment benefits

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

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

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

(e) Development costs

Development costs are capitalised according to the accounting policy described in subdivision 3.1) of Note 2.2. The initial capitalisation of the cost is based on the Board of Directors' judgment that technical and economic feasibility is confirmed, usually when a product development project has reached a milestone according to the project model established by the Board of Directors. In determining the amounts to be capitalised, the Board of Directors makes assumptions regarding the expected cash flows that will be generated in the future by the project, discount rates to be applied and the expected period of benefits.

(f) 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) of Note 2.2.

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

(g) 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.

(h) Provisions for dismantling and restoration

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

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

3. IMPACTS RESULTING FROM THE APPLICATION OF NEW STANDARDS OR CHANGES TO IFRS STANDARDS

3.1 STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS THAT ENTERED INTO FORCE IN THE FINANCIAL YEAR

The following standards, interpretations, amendments and revisions endorsed by the European Union are mandatorily applicable for the first time in the financial year beginning on 1 January 2024:

- **Amendments to IAS 1 – Classification of liabilities as current and non-current and Non-current liabilities with covenants**

These amendments clarify the existing guidance in IAS 1 regarding the classification of financial liabilities as current or non-current, stating that classification should be based on the entity's right to defer settlement at the end of the reporting period.

Specifically, the amendments: (i) clarify the concept of 'settlement,' stating that if the right to defer settlement of a liability is subject to the fulfilment of future covenants, the entity retains the right to defer settlement even if those covenants are not met at the reporting date; and (ii) confirm that classification is not influenced by management's expectations (i.e. it depends solely on whether the right exists, regardless of the likelihood of exercising it), nor by post-reporting date events, such as covenant breaches.

If the right to defer settlement for at least twelve months is subject to conditions that must be met after the balance sheet date, this does not impact the right to defer settlement for the purposes of classifying the liability as current or non-current.

This amendment is for retrospective application.

- **Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier financing arrangements**

These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures aim to clarify the features of supplier financing arrangements and introduce additional disclosure requirements where such agreements are in place. The disclosure requirements are intended to assist users of the financial statements in understanding the impact of supplier financing arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

- **Amendments to IFRS 16 – Lease liabilities in sale and leaseback transactions**

This amendment to IFRS 16 Leases introduces guidance on the subsequent measurement of lease liabilities arising from sale and leaseback transactions that qualify as a sale under IFRS 15. The impact is particularly relevant where some or all lease payments are variable and not linked to an index or rate.

When subsequently measuring the lease liability, the seller-lessee must determine the "lease payments" and "revised lease payments" in a way that does not result in the recognition of gains or losses relating to the retained right of use.

This amendment is for retrospective application.

These standards and amendments had no material impact on the Entity's financial statements.

3.2 STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS COMING INTO FORCE IN FUTURE FINANCIAL YEARS

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:

Applicable in the European Union for financial years beginning on or after 1 January 2025

- **Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability**

This amendment clarifies how to assess the exchangeability of a currency and how to determine the exchange rate when exchangeability is lacking over an extended period.

The amendment specifies that a currency should be considered exchangeable if an entity can obtain the other currency within a timeframe that allows for normal administrative operations, and through an exchange mechanism or market in which a transaction creates enforceable rights and obligations.

Where a currency cannot be exchanged, the entity must estimate the exchange rate at the transaction measurement date. The aim is to determine the rate that would apply at that date in a comparable transaction between market participants. The amendment also permits the use of an observable exchange rate without adjustment.

These changes are effective for financial periods beginning on or after 1 January 2025. Early adoption is permitted, subject to disclosure of the transition requirements applied.

The Entity did not adopt any of these standards early in the financial statements for the twelve-month period ended 31 December 2024. No significant impacts on the financial statements resulting from its adoption are estimated.

3.3 STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS NOT YET ADOPTED BY THE EUROPEAN UNION

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, were not, until the date of approval of these financial statements, endorsed by the European Union:

- **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments**

These amendments result from the Post-Implementation Review (PIR) of IFRS 9 Financial Instruments and clarify the following points:

- Clarify that a financial liability is derecognised on the “settlement date”, i.e. when the obligation is settled, cancelled, expires, or otherwise qualifies for derecognition. However, entities may adopt an accounting policy that allows derecognition of a financial liability settled via an electronic payment system before the formal settlement date, provided certain conditions are met.
- Clarify how an entity should assess the contractual cash flow characteristics of financial assets that include variables linked to environmental, social and governance (ESG) factors or other similar contingent features.
- Require additional disclosures for financial instruments subject to contingent events (including ESG-linked variables) and for equity instruments measured at fair value through other comprehensive income.

These changes are effective for financial periods beginning on or after 1 January 2026. Early adoption is permitted.

This amendment is for retrospective application. However, an entity is not required to restate the comparative period, and the potential impacts of applying this amendment shall be recognised in retained earnings in the year in which the amendment becomes applicable.

- **Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Electricity Generated from Renewable Sources**

The amendments refer specifically to renewable energy purchase agreements where the source of production depends on nature, meaning supply cannot be guaranteed at specific times or in specific volumes.

These amendments clarify the application of the "own use" requirements in power purchase agreements, and confirm that hedge accounting may be applied when such contracts are used as hedging instruments.

The amendments are effective for annual periods beginning on or after 1 January 2026, with early application permitted. However, the guidance on hedge accounting must be applied prospectively to new hedging relationships designated on or after the initial application date.

- **Annual Improvements to IFRS (Volume 11)**

Improvements are made on a regular basis to clarify and simplify the application of international regulations, through minor changes that are not considered urgent.

The main changes included in this volume concern:

- **IFRS 1 (Hedge accounting on first-time adoption of IFRS standards):** This amendment aims to update the cross-references in paragraphs B5 and B6 of IFRS 1 First-time Adoption of International Financial Reporting Standards to the eligibility criteria for hedge accounting in IFRS 9 to paragraphs 6.4.1(a), (b) and (c).
- **IFRS 7 (Gain or loss on derecognition):** This amendment aims to update the language on unobservable market data included in paragraph B38 of IFRS 7 Financial Instruments: Disclosures, as well as adding references to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
- **IFRS 7 (Implementation guidelines):** Several paragraphs relating to the implementation guidelines of IFRS 7 have been amended for reasons of consistency and clarity.
- **IFRS 9 (Derecognition of lease liabilities):** This amendment clarifies that when a financial liability is extinguished in accordance with IFRS 9, the lessee must apply paragraph 3.3.3 of IFRS 9 and recognise the gain or loss that results from this derecognition.
- **IFRS 9 (Transaction price):** With this amendment, the reference to "transaction price" in paragraph 5.1.3 of IFRS 9 is replaced by "amount determined by applying IFRS 15".
- **IFRS 10 (Determination of 'de facto' agent):** Amendment made to paragraph B74 of IFRS 10, which clarifies that the relationship described in that paragraph is just one example of several possible between the investor and other parties acting as de facto agents. The purpose of this amendment is to remove the inconsistency with the requirement in paragraph B73 that an entity should use its judgement in assessing whether other parties can act as 'de facto' agents.
- **IAS 7 (Cost method):** Replacement of the term "cost method" by "at cost" in paragraph 37 of IAS 7 after the elimination of the definition of "cost method".

The changes are effective for annual periods from 1 January 2026, with early application permitted.

- **IFRS 18 - Presentation and disclosure in financial statements**

IFRS 18 replaces IAS 1 Presentation of Financial Statements and comes in response to requests from investors looking for information on financial performance. With the introduction of the new IFRS 18 requirements, investors will have access to more transparent and comparable information on companies' financial performance, with the aim of making better investment decisions.

IFRS 18 essentially introduces three sets of new requirements to improve the disclosure of financial performance:

- **Comparability of the income statement:** IFRS 18 introduces three defined categories for income and expenses - operating, investments, and financing - to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating income. The new structure and subtotals will give investors a consistent starting point for analysing company performance, making it easier to compare them.
- **Transparency of performance measures defined by management:** IFRS 18 requires the disclosure of additional information on the company's specific performance indicators related to the income statement, known as performance measures defined by management.
- **Aggregation and disaggregation of items in the financial statements:** IFRS 18 establishes guidelines on how income statement items should be aggregated.

IFRS 18 comes into force for financial years beginning on or after 1 January 2027, and its application is retrospective. Early adoption is permitted as long as the option is publicised.

- **IFRS 19 - Subsidiaries not subject to public reporting: Disclosures**

IFRS 19 allows eligible entities to prepare IFRS financial statements with lower disclosure requirements than those required by IFRS, while maintaining the obligation to apply all the measurement and recognition requirements of IFRS.

The reduction in disclosures defined by IFRS 19 covers most IFRS standards. Eligible entities are those that: (i) are subsidiaries of a group that prepares consolidated financial statements in IFRS for public disclosure; and (ii) are not subject to the obligation to publicly disclose financial information, because they do not have listed debt or equity securities, are not in the process of being listed, nor have as their main activity the safekeeping of assets in a fiduciary capacity.

IFRS 19 comes into force for financial years beginning on or after 1 January 2027 and its application is optional. Early application is permitted. Early adopters must disclose and align disclosures in the comparative period with those in the current period.

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Entity in the twelve-month period ending 31 December 2024. No significant impacts on the financial statements resulting from its adoption are estimated.

3.4 ACCOUNTING POLICIES, CHANGES, ACCOUNTING ESTIMATES AND ERRORS

There are no changes to accounting policies or estimates, or material errors from previous periods, with an impact on the financial statements.

4. CASH FLOWS

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

	31/12/2024	31/12/2023
Cash	15 857	16 357
Demand Deposits	20 881 713	37 091 215
Other Cash at Bank	-	18 589 020
	20 897 570	55 696 592
Bank Overdrafts (Note 13.4)	6 956 771	-
	13 940 799	55 696 592

(Amounts stated in euros)

5. RELATED PARTIES

5.1 GROUP ENTITIES

The Group is 100% owned by Bondalti Capital, S.A.

Bondalti Capital, S.A. also presents consolidated financial statements.

The ultimate controlling parent company is José de Mello Capital, S.A.

The Companies included in the consolidation, their registered offices and proportion of capital held as of 31 December 2024 and 2023 are as follows:

Subsidiaries	Location	% of Direct holding	Effective Control 2024	Effective Control 2023
Renoeste - Valorização de Recursos Naturais, S.A. ("Renoeste")	Pombal	100%	-	100%
Elnosa - Electroquímica del Noroeste, S.A. ("Elnosa")	Pontevedra	100%	100%	100%
Nutriquim - Produtos Químicos, S.A. ("Nutriquim")	Barreiro	100%	100%	100%
Bondalti Cantabria, S.A. ("B Cantabria")	Torrelavega	80%	100%	100%
Miralcalis - Activos de Produção de Cloro, S.A. ("Miralcalis")	Oeiras	100%	100%	100%
Bondalti H2, S.A. ("Bondalti H2")	Estarreja	100%	100%	100%
Bondalti Ibérica, S.A. ("B Ibérica")	Barcelona	100%	100%	-

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

On 19 May 2021, Bondalti Chemicals signed a framework contract for the sale of assets, transfer of the concession, sale of real estate, and transfer of employees of its wholly-owned subsidiary, Renoeste, and in 2024 the sale was completed.

The associated companies, their registered offices and proportion of capital held as of 31 December 2024 and 2023 are as follows:

Associates	Location	% Interest	2024	2023
AQP - Aliada Química de Portugal, Lda ("AQP")	Estarreja	49.9%	49.9%	49.9%

These associated companies were included in the consolidation using the equity method, using the criteria indicated in subdivision (6) of paragraph 2.2.

The companies considered in Other holdings, their registered offices and proportion of capital held as of 31 December 2024 and 2023 are as follows:

Other holdings	Location	% Interest
Hytlantia, S.A.	Sines	13.50%
Hylab Green Hydrogen Collaborative Laboratory	Sines	12.5 Units of Participation

5.2 RELATED PARTY TRANSACTIONS

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 relationship (Services provided / Transactions carried out)	Nature of relationship (Services received / Transactions received)
Parent Company: Bondalti CAPITAL, S.A.	Services by retainer fee	Management fee
Subsidiaries		
- ELNOSA Electroquímica del Noroeste, S.L.	Sale of Chemical Products / Management Fee	Purchase of Chemical Products
- NUTRIQUIM Produtos Químicos, S.A.	-	-
- MIRALCALIS - Activos de Produção de Cloro, S.A.	Expenses on account	-
- Bondalti CANTABRIA, S.A.	Expenses on account / Supplies	-
- Bondalti H2, S.A.	Expenses on account / Supplies	-
- Bondalti Ibérica, S.A.	Supplementary capital	-
Associates		
- Aliada Química de Portugal, Lda.	Sale of hydrochloric and sulphuric acid / Management fee	-
Other Related Parties:		
- INNOVNANO - Materiais Avançados, S.A.	Subcontracted staff	-
- DOLOPAND - Investimentos Imobiliários e Turísticos, S.A.	-	Purchases of land
- ENKROTT - Gestão e Tratamento de Águas, S.A.	-	Water treatment services
- Enkrott Espanha, S.A.	RETGS Spain	-
- Grupo Águas Alfaro, S.L.	RETGS Spain	-
- Agua, Energía y Medioambiente, Servicios Integrales, S.L.U.	RETGS Spain	-
- Laboratorios Alfaro, S.L.U.	RETGS Spain	-
- Aguas Rioja Medioambiente, S.L.U.	Sale of Chemical Products	-
- Agua, Gestion y Tratamientos, Servicios Integrales, S.L.	RETGS Spain	-

BONDALTI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of 31 December 2024 and 2023, the following transactions with related parties were carried out:

Companies	2024		
	Sales / Services	Purchases Goods / Services	Other Income
Bondalti CAPITAL, S.A.	-	13 083 000	-
AQP Aliada Química de Portugal, Lda	675 582	-	39 987
INNOVNANO - Materiais Avançados, S.A.	-	-	53 062
ENKROTT - Gestão e Tratamento de Águas, S.A.	32 716	186 044	10
Aguas Rioja Medioambiente, S.L.U.	213 000	-	-
	921 297	13 269 044	93 059

(Amounts stated in euros)

Companies	2023		
	Sales / Services	Purchases Goods / Services	Other Income
Bondalti CAPITAL, S.A.	-	4 019 530	-
AQP Aliada Química de Portugal, Lda	662 435	-	37 392
INNOVNANO - Materiais Avançados, S.A.	-	-	44 154
ENKROTT - Gestão e Tratamento de Águas, S.A.	32 331	116 216	-
Aguas Rioja Medioambiente, S.L.U.	213 000	-	-
	907 766	4 135 746	81 546

(Amounts stated in euros)

As of 31 December 2024 and 2023, balances with related parties were as follows:

Companies	31/12/2024			
	Assets		Liabilities	
	Trade Debtors (Note 14.1)	Other Accounts Receivable (Note 14.1)	Trade creditors (Note 14.2)	Other Payables (Note 14.3)
Bondalti CAPITAL, S.A.	1 055	1 280 344	14 038 670	-
AQP Aliada Química de Portugal, S.A.	122 281	-	-	-
INNOVNANO - Materiais Avançados, S.A.	14 294	-	-	-
ENKROTT Espanha, S.A.	-	-	-	12 817
Grupo Águas Alfaro, S.L.	6 223	21 211	-	-
Agua, Energía y Medioambiente, Servicios Integrales, S.L.U.	-	77 345	-	-
Laboratorios Alfaro, S.L.U.	-	42 696	-	-
Aguas Rioja Medioambiente, S.L.U.	-	328 377	-	-
Agua, Gestion y Tratamientos, Servicios Integrales, S.L.	-	141	-	-
	154 187	1 750 115	14 055 748	12 817

(Amounts stated in euros)

BONDALTI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Companies	31/12/2023			
	Assets		Liabilities	
	Trade Debtors (Note 14.1)	Other Accounts Receivable (Note 14.1)	Trade creditors (Note 14.2)	Other Payables (Note 14.3)
Bondalti CAPITAL, S.A.	72 486	21 546	414 488	12 132 740
AQP Aliada Química de Portugal, S.A.	114 469	-	-	-
INNOVNANO - Materiais Avançados, S.A.	7 835	-	-	-
ENKROTT - Gestão e Tratamento de Águas, S.A.	15 106	-	-	-
DOLOPAND - Inves. Imobiliários e Turísticos, S.A.	-	-	-	9 118
Grupo Águas Alfaro, S.L.	-	2 102	-	-
Agua, Energia y Medioambiente, Servicios Integrales, S.L.U.	-	-	-	190 865
Laboratorios Alfaro, S.L.U.	-	16 703	-	-
Aguas Rioja Medioambiente, S.L.U.	-	27 779	-	-
Agua, Gestion y Tratamientos, Servicios Integrales, S.L.	-	-	-	1 000
	209 896	68 130	414 488	12 333 722

(Amounts stated in euros)

The balance with Bondalti Capital in Other Debts Receivable refers to movements under the RETGS.

6. PROPERTY, PLANT AND EQUIPMENT

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

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Property, Plant and Equipment	Investments in progress	Total Tangible Assets
Cost:								
1 January 2023	1 153 716	43 742 988	366 524 047	820 261	3 023 190	1 950 380	8 790 624	426 005 205
Increases	5 430	264 734	5 465 299	74 360	261 733	101 151	22 533 251	28 705 957
Transfers	-	6 690	4 480 501	-	213 197	5 736	(4 706 124)	-
Disposals	(2 993)	-	-	-	(9 413)	(462)	-	(12 868)
Write-offs	(1 468)	(1 506 001)	-	-	-	-	-	(1 507 469)
31 December 2023	1 154 685	42 508 412	376 469 847	894 620	3 488 706	2 056 805	26 617 751	453 190 826
Increases	16 757	602 982	943 210	-	104 561	24 891	41 950 435	43 642 837
Other reclassifications	(215 206)	(6 202 557)	(13 567 573)	(43 234)	(57 615)	(33 045)	-	(20 119 230)
Transfers	-	476 302	37 526 666	443 233	195 140	57 329	(38 698 670)	-
Disposals	(715 993)	(166 925)	-	(59 000)	(17 764)	(4 108)	-	(963 789)
Write-offs	(86 786)	-	-	-	-	-	-	(86 786)
31 December 2024	153 458	37 218 215	401 372 150	1 235 619	3 713 029	2 101 872	29 869 516	475 663 858

(Amounts stated in euros)

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Property, Plant and Equipment	Investments in progress	Total Tangible Assets
Depreciation and Impairment:								
1 January 2023	219 308	29 012 760	273 842 923	682 417	2 540 185	1 649 839	-	307 947 433
Depreciation (Note 26)	-	832 791	18 811 013	28 067	169 697	127 797	-	19 969 365
Revaluations	(3 509)	-	-	-	-	-	-	(3 509)
Disposals	-	-	-	-	(9 413)	(462)	-	(9 875)
Write-offs	-	(1 491 722)	-	-	-	-	-	(1 491 722)
Impairment	-	79 294	-	-	-	-	-	79 294
31 December 2023	215 799	28 433 123	292 653 936	710 485	2 700 469	1 777 174	-	326 490 986
Depreciation (Note 26)	-	812 049	20 309 577	38 993	264 491	114 853	-	21 539 962
Revaluations	-	-	-	-	-	-	-	-
Other reclassifications	(215 799)	(6 289 343)	(13 567 573)	(43 234)	(60 765)	(29 302)	-	(20 206 016)
Merger group companies	-	-	-	-	-	-	-	-
Disposals	-	(159 274)	-	(26 083)	(17 764)	(4 108)	-	(207 229)
31 December 2024	-	22 796 555	299 395 939	680 161	2 886 432	1 858 616	-	327 617 703

Net book value:

At 31 December 2024	153 458	14 421 660	101 976 211	555 458	826 598	243 255	29 869 516	148 046 154
At 31 December 2023	938 886	14 075 289	83 815 911	184 135	788 237	279 631	26 617 751	126 699 840
At 1 January 2023	934 408	14 730 228	92 681 124	137 843	483 004	300 541	8 790 624	118 057 772

(Amounts stated in euros)

As shown in the table above, depreciation for the period amounted to 21.5 million euros (2023: 20 million euros) and accumulated depreciation and impairments at the end of the period stood at 327.6 million euros (2023: 326.5 million euros).

The other reclassifications refer to adjustments to balances identified in previous years' tables.

7. RIGHT OF USE

7.1 RIGHT-OF-USE ASSETS

During the years ended 31 December 2024 and 2023, 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 2023	1 910 147	16 423 477	549 970	18 883 595
New Contracts	114 616	1 448 357	538 830	2 101 803
31 December 2023	2 024 763	17 871 834	1 088 800	20 985 397
New Contracts	-	-	390 069	390 069
Revaluations	-	101 878	-	101 878
Other Reclassifications	1 110 971	(1 110 971)	(133 416)	(133 416)
Contract end date	-	-	(261 313)	(261 313)
31 December 2024	3 135 734	16 862 741	1 084 140	21 082 615

(Amounts stated in euros)

	Land and natural resources	Buildings and other structures	Transport Equipment	Right-of-Use Assets Total
Depreciation and Impairment:				
1 January 2023	44 220	1 916 329	216 510	2 177 059
Depreciation (Note 26)	46 772	2 139 002	271 834	2 457 608
31 December 2023	90 992	4 055 331	488 344	4 634 667
Depreciation (Note 26)	340 611	1 855 314	276 113	2 472 037
Other Reclassifications	603 696	(603 696)	(133 416)	(133 416)
Contract end date	-	-	(261 313)	(261 313)
31 December 2024	1 035 299	5 306 948	369 727	6 711 975
Net book value:				
At 31 December 2024	2 100 434	11 555 793	714 413	14 370 640
At 31 December 2023	1 933 771	13 816 503	600 457	16 350 731
At 1 January 2023	1 865 927	14 507 148	333 461	16 706 535

(Amounts stated in euros)

As shown in the table above, amortisation for the period amounted to 2.5 million euros (2023: 2.5 million euros) and accumulated depreciation at the end of the period amounted to 6.7 million euros (2023: 4.6 million euros).

7.2 LEASE LIABILITIES

During the years ended 31 December 2024 and 2023, the movement in the value of lease liabilities was as follows:

	31/12/2024	31/12/2023
Opening balance	16 667 905	16 874 119
Increases	459 209	994 858
Write-offs and decreases	(348 873)	1 106 945
Accrued interest	423 376	387 555
Payments	(2 714 800)	(2 695 572)
Other effects	350 422	-
Closing balance	14 837 240	16 667 905
Current	2 278 789	2 322 670
Non-current	12 558 451	14 345 235

(Amounts stated in euros)

Additionally, the following amounts of expenses relating to right-of-use assets were recognised in 2024 and 2023:

	31/12/2024	31/12/2023
Depreciation of right-of-use assets (Note 26)	2 472 037	2 457 608
Interest expenses related to lease liabilities (Note 28)	423 376	387 555
Total amount recognised in the income statement	2 895 413	2 845 163

(Amounts stated in euros)

The repayment period for lease liabilities is as follows:

	31/12/2024					
	2025	2026	2027	2028	> 2028	Total
Lease liabilities	2 278 789	2 339 785	2 231 986	2 067 171	5 919 509	14 837 240
	2 278 789	2 339 785	2 231 986	2 067 171	5 919 509	14 837 240

(Amounts stated in euros)

	31/12/2023					
	2024	2025	2026	2027	> 2027	Total
Lease liabilities	2 322 670	2 293 236	2 320 546	2 157 982	7 453 174	16 547 608
	2 322 670	2 293 236	2 320 546	2 157 982	7 453 174	16 547 608

(Amounts stated in euros)

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 2.2, the company adopts the fair value model in valuing its investment properties.

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

	Land and natural resources	Buildings and other structures	Total Investment Properties
Cost:			
1 January 2023	13 506 664	1 797 411	15 304 075
Increases	11 340	-	11 340
Revaluations	(460 456)	(565 847)	(1 026 303)
Disposals	(1 497 922)	-	(1 497 922)
31 December 2023	11 559 626	1 231 564	12 791 190
Disposals	(545 306)	(567 437)	(1 112 743)
31 December 2024	11 014 320	664 127	11 678 447

(Amounts stated in euros)

	Land and natural resources	Buildings and other structures	Total Investment Properties
Depreciation and Impairment:			
1 January 2023	-	945 462	945 462
Depreciation (Note 26)	-	33 756	33 756
31 December 2023	-	979 219	979 219
Depreciation (Note 26)	-	13 849	13 849
Disposals	-	(380 929)	(380 929)
31 December 2024	-	612 139	612 139
Net book value:			
At 31 December 2024	11 014 320	51 988	11 066 308
At 31 December 2023	11 559 626	252 346	11 811 971
At 1 January 2023	13 506 664	851 948	14 358 612

(Amounts stated in euros)

As shown in the Table above, depreciation for the period amounted to 14 thousand euros (2023: 34 thousand euros) and accumulated depreciation at the end of the period stood at 612 thousand euros (2023: 979 thousand euros).

9. INTANGIBLE ASSETS

9.1 INTANGIBLE ASSETS

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

	Development Projects	Computer Programs	Industrial Property	Emission Rights	Total Intangible Assets
Cost:					
1 January 2023	1 986 490	833 885	57 475	6 733 995	9 611 845
Emission rights allocated	-	-	-	4 031 137	4 031 137
Acquisitions	-	176 593	-	-	176 593
Uses of emission rights	-	-	-	(2 056 603)	(2 056 603)
Change in Fair Value	-	-	-	1 785 883	1 785 883
31 December 2023	1 986 490	1 010 478	57 475	10 494 413	13 548 856
Emission rights allocated	-	-	-	3 303 993	3 303 993
Acquisitions	-	66 000	-	-	66 000
Uses of emission rights	-	-	-	(2 126 306)	(2 126 306)
Change in Fair Value	-	-	-	(599 918)	(599 918)
31 December 2024	1 986 490	1 076 478	57 475	11 072 181	14 192 624

(Amounts stated in euros)

	Development Projects	Computer Programs	Industrial Property	Emission Rights	Total Intangible Assets
Amortisation and Impairment:					
1 January 2023	1 986 490	831 742	31 950	950 506	3 800 688
Amortisation (Note 26)	-	6 892	8 397	2 123 603	2 138 892
Write-offs	-	-	-	(2 047 761)	(2 047 761)
Impairment	-	-	-	1 097 255	1 097 255
31 December 2023	1 986 490	838 635	40 347	2 123 603	4 989 074
Amortisation (Note 26)	-	60 854	5 942	1 830 531	1 897 327
Write-offs	-	-	-	(2 123 603)	(2 123 603)
31 December 2024	1 986 490	899 488	46 289	1 830 531	4 762 799
Net book value:					
At 31 December 2024	-	176 990	11 186	9 241 649	9 429 825
At 31 December 2023	-	171 844	17 128	8 370 810	8 559 782
At 1 January 2023	-	2 143	25 526	5 783 489	5 811 158

(Amounts stated in euros)

As shown in the table above, amortisation for the period amounted to 1.9 million euros (2023: 2.1 million euros) and accumulated depreciation at the end of the period amounted to 4.8 million euros (2023: 5 million euros).

9.2 GOODWILL

The positive consolidation differences recorded in assets, the acquisition cost and the proportional value of the equity of the subsidiaries, reported on the acquisition date, are shown in the table below:

	Goodwill
Cost:	
1 January 2023	139 230
31 December 2023	139 230
31 December 2024	139 230

(Amounts stated in euros)

Goodwill refers to the acquisition of the subsidiary Miralcalis.

10. FINANCIAL HOLDINGS

As of 31 December 2024 and 2023, Financial Holdings were as follows:

	31/12/2024	31/12/2023
Equity Method		
Investments in Associated Enterprises (Note 10.1)	977 651	1 056 630
	977 651	1 056 630

(Amounts stated in euros)

	31/12/2024	31/12/2023
Other Methods		
Investments in other companies		
Unlisted shares (Note 10.2)	91 326	101 837
	91 326	101 837

(Amounts stated in euros)

10.1 INVESTMENTS IN ASSOCIATED ENTERPRISES

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

	Financial information 2024				Financial information 2023			
	Equity	Net income earnings	Share %	2024 (Note 10)	Equity	Net income earnings	Share %	2023 (Note 10)
Equity method								
AQP - Aliada Química de Portugal, Lda	1 959 221	723 148	49.9	977 651	2 117 496	881 423	49.9	1 056 630
	1 959 221	723 148		977 651	2 117 496	881 423		1 056 630

(Amounts stated in euros)

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

	Balance at 1 January 2024	Net Earnings (Note 20)	Dividend Distribution	Balance at 31 December 2024
AQP - Aliada Química de Portugal, Lda	1 056 630	360 851	(439 830)	977 651

(Amounts stated in euros)

	Balance at 1 January 2023	Net Earnings (Note 20)	Dividend Distribution	Balance at 31 December 2023
AQP - Aliada Química de Portugal, Lda	807 027	439 830	(190 226)	1 056 630

(Amounts stated in euros)

As of 31 December 2024 and 2023, the summarised financial information of the associated companies, excluding investments that were transferred to discontinued activities, can be analysed as follows:

	31/12/2024 AQP	31/12/2023 AQP
Non-current assets	1 054 535	1 103 169
Current assets	2 200 980	2 692 703
Current liabilities	1 296 295	1 678 376
Equity	1 959 221	2 117 496
Turnover	5 522 729	5 399 248
Net profit for the year	723 148	881 423

(Amounts stated in euros)

The accounting policies of the joint ventures and 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

	31/12/2024	31/12/2023
Erase - Emp. Regeneração de Águas e Solos de Estarreja, ACE	9 228	9 228
Hylab Green Hydrogen Collaborative Laboratory	12 500	-
Hytlantia, S.A.	209 750	209 750
Other	13 705	13 705
	245 183	232 683
Amortisation and Provisions for losses on securities and other investments	(153 857)	(130 846)
	91 326	101 837

(Amounts stated in euros)

Holdings are recognised at fair value through profit or loss. It is understood that the acquisition cost, given the degree of development of this entity's projects, reflects their fair value.

11. INVENTORIES

11.1 INVENTORIES

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

	31/12/2024	31/12/2023
Gross Value		
Raw materials, Subs. and Consumables	23 574 993	24 882 772
Intermediate and Finished Products	6 210 067	8 730 753
	29 785 060	33 613 526
Impairment losses		
Raw materials, Subs. and Consumables	(660 003)	(798 837)
Intermediate and Finished Products	-	(467 648)
	(660 003)	(1 266 485)
	29 125 056	32 347 041

(Amounts stated in euros)

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

11.2 CHANGE IN PRODUCTION

	Intermediate and Finished Products
Balance at 1 January 2023	10 851 244
Adjustments	328 866
Increase/Decrease for the year	(2 449 357)
Balance at 31 December 2023	8 730 753
Balance at 1 January 2024	8 730 753
Adjustments	(16 114)
Increase/Decrease for the year	(2 504 572)
Balance at 31 December 2024	6 210 067

(Amounts stated in euros)

11.3 COST OF GOODS SOLD AND MATERIALS CONSUMED

	Goods	Raw Material, Subsidiary Material and Consumables	Total
Inventories at 1 January 2023	0	24 035 207	24 035 207
Purchases	14 271 683	259 519 387	273 791 070
Adjustment of inventories	-	338 061	338 061
Inventories at 31 December 2023	-	24 439 811	24 439 811
Cost of goods sold and materials consumed	14 271 683	259 452 844	273 724 527
Inventories at 1 January 2024	-	24 439 811	24 439 811
Purchases	14 738 687	287 279 448	302 018 135
Adjustment of inventories	-	322 647	322 647
Inventories at 31 December 2024	-	22 914 989	22 914 989
Cost of goods sold and materials consumed	14 738 687	289 126 917	303 865 604

(Amounts stated in euros)

11.4 IMPAIRMENT LOSSES ON INVENTORIES

	31/12/2024	31/12/2023
Impairment Losses:		
Raw materials, Subs. and Consumables	10 116	355 875
	10 116	355 875

(Amounts stated in euros)

12. STATE AND OTHER PUBLIC BODIES

As of 31 December 2024 and 2023, this heading is broken down as follows:

	31/12/2024	31/12/2023
Balance Receivable		
Income tax	1 698 588	1 702 633
Income Tax Withholdings	-	208
VAT	625 714	298 014
	2 324 302	2 000 855
Balance Payable		
Income tax		
Tax estimate	-	158 731
Income Tax Withholdings	240 529	243 449
VAT	1 714 742	3 061 830
Social Security Contribution	352 448	317 215
	2 307 719	3 781 226

(Amounts stated in euros)

13. DEFERRALS

13.1 REPORTABLE EXPENSES

As of 31 December 2024 and 2023, reportable expenses are broken down as follows:

	31/12/2024	31/12/2023
Reportable expenses		
Insurance	321 244	2 526 387
Financial charges	503 590	1 132 865
Other	556 524	280 000
	1 381 358	3 939 252

(Amounts stated in euros)

Financial charges relate to the amortised cost in relation to the financing.

13.2 REPORTABLE INCOME

As of 31 December 2024 and 2023, reportable income is broken down as follows:

	31/12/2024	31/12/2023
Reportable income		
Development rights	392 700	419 650
Grants	21 513 891	15 038 086
Emission right subsidies	9 241 649	8 034 155
	31 148 240	23 491 891

(Amounts stated in euros)

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

	2024	2023
Opening balance	15 038 086	2 531 702
Received during the year	7 093 405	13 117 343
Transferred to Profit or Loss (Note 23)	(617 599)	(610 959)
Closing balance	21 513 891	15 038 086

(Amounts stated in euros)

The amounts received during the year from IAPMEI for the Recovery and Resilience Plan relate to the C11 RePower Project.

14. 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 2.2.

The following table summarises the financial instruments:

In assets:

	31/12/2024	31/12/2023
Non-current		
Other financial assets (Note 14.5)	61 180 000	61 232 314
Other Financial Holdings (Note 10.2)	91 326	101 837
	61 271 326	61 334 151
Current		
Trade debtors (Note 14.1)	56 377 472	45 549 908
Other receivables (Note 14.1)	10 910 911	6 231 100
Cash and Bank Deposits (Note 4)	20 897 570	55 696 592
	88 185 954	107 477 600

(Amounts stated in euros)

In liabilities:

	31/12/2024	31/12/2023
Non-current		
Borrowings (Note 14.4)	37 609 067	51 621 185
Lease liabilities (Note 7.2)	12 558 451	14 345 235
Other payables (Note 14.3)	743 456	1 221 512
	50 910 974	67 187 932
Current		
Trade creditors (Note 14.2)	60 051 390	54 607 708
Advances from customers	726 294	309 128
Borrowings (Note 14.4)	31 631 517	25 000 000
Lease liabilities (Note 7.2)	2 278 789	2 322 670
Other payables (Note 14.3)	27 733 965	33 304 897
	122 421 954	115 544 403

(Amounts stated in euros)

All financial assets and liabilities are subsequently measured at amortised cost, with the exception of “Other Financial Holdings”; which are 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.

14.1 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:

	31/12/2024			31/12/2023		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
Clients						
Customers c/a	55 849 242	-	55 849 242	45 309 367	-	45 309 367
Trade bills receivable	364 351	-	364 351	20 953	-	20 953
Group Customers and Other Related Parties (Note 5.2)	154 187	-	154 187	209 896	-	209 896
Doubtful receivables	2 551 411	(2 541 719)	9 692	2 343 404	(2 333 713)	9 692
	58 919 191	(2 541 719)	56 377 472	47 883 621	(2 333 713)	45 549 908
Other Receivables						
Current						
Other Receivables	8 984 313	-	8 984 313	4 858 503	-	4 858 503
Other Doubtful Receivables	269 316	(269 316)	-	910 792	(269 316)	641 476
Other Receivables - Group (Note 5.4)	1 750 115	-	1 750 115	68 130	-	68 130
Staff	52 061	-	52 061	15 752	-	15 752
Advances to Trade creditors	124 423	-	124 423	560 721	-	560 721
	11 180 227	(269 316)	10 910 911	6 413 898	(269 316)	6 144 582

(Amounts stated in euros)

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

31/12/2024	Opening balance	Use and Correction	Reversal (DR)	Closing balance
Financial assets measured at cost less impairment				
Trade debtors				
General trade debtors	(2 333 713)	8 251	(216 258)	(2 541 719)
Doubtful receivables				
Other receivables-Current	(269 316)	-	-	(269 316)
	(2 603 029)	8 251	(216 258)	(2 811 035)

(Amounts stated in euros)

31/12/2023	Opening balance	Use and Correction	Reversal (DR)	Closing balance
Financial assets measured at cost less impairment				
Trade debtors				
General trade debtors	(2 340 136)	6 423	-	(2 333 713)
Doubtful receivables				
Other receivables-Current	(269 316)	-	-	(269 316)
	(2 609 451)	6 423	-	(2 603 029)

(Amounts stated in euros)

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.

As of 31 December 2024 and 2023, the age of the net value of the trade creditors balance can be analysed as follows:

	Overdue debt						
	Total	Debt	<3 meses	3-6 meses	6-12 meses	12-18 meses	18-24 meses
Year 2024	56 377 472	52 463 553	1 716 920	130 629	221 481	27 373	-
Year 2023	45 549 908	42 243 248	1 139 056	160 315	61 888	63 394	1 666

(Amounts stated in euros)

Management understands that accounts receivable that are not overdue will be fully paid, taking into account the history of uncollectibility and the characteristics of the counterparties. Additionally, with the adoption of IFRS 9, the Group determines the expected impairment losses for its accounts receivable in accordance with the criteria disclosed in Note 2.2.

For amounts owed, overdue for more than 24 months, there is an impairment, as per Note 14.1.

14.2 TRADE CREDITORS

The heading Trade creditors as of 31 December 2024 and 2023 shows the following detail:

	31/12/2024	31/12/2023
Trade creditors		
Trade creditors c/a	40 837 072	44 842 307
Trade creditors - Related parties (Note 5.2)	14 055 748	414 488
Invoices pending approval	5 158 569	9 350 913
	60 051 390	54 607 708

(Amounts stated in euros)

On 31 December 2024 and 2023, the ageing of the balance of trade creditors can be broken down as follows:

	31/12/2024	0-90 dias	90-180 dias	> 180 dias
Trade creditors c/a	40 837 072	27 356 612	7 377 760	6 102 700
Trade creditors - Related parties (Note 5.2)	14 055 748	14 055 748	-	-
Invoices pending approval	5 158 569	4 221 879	682 675	254 015
	60 051 390	45 634 240	8 060 435	6 356 715

(Amounts stated in euros)

	31/12/2023	0-90 dias	90-180 dias	> 180 dias
Trade creditors c/a	44 842 307	44 774 366	67 942	-
Trade creditors - Related parties (Note 5.2)	414 488	414 488	-	-
Invoices pending approval	9 350 913	8 762 007	215 169	373 737
	54 607 708	53 950 861	283 111	373 737

(Amounts stated in euros)

14.3 OTHER PAYABLES

As of 31 December 2024 and 2023, the caption Other payables took the following form:

	31/12/2024	31/12/2023
Other Payables		
Non-Current		
Investment Providers c/a	743 456	1 221 512
	743 456	1 221 512
Current		
Investment Providers c/a	17 171 868	9 973 247
Staff	6 045	4 410
Holiday surcharge and holiday allowance	2 940 562	2 770 339
Other accruals	1 082 656	1 453 775
Other Payables	6 520 017	6 769 403
Other Payables - Group (Note 5.2)	12 817	12 333 722
	27 733 965	33 304 897

(Amounts stated in euros)

The increase in the Investment Suppliers balance is largely due to the purchase of equipment for the general shut-down and the technological conversion of the electrolysis plant in Estarreja.

The balance under Other accruals includes the advance payment of water resources and wastewater treatment fees totalling 502 000 euros, IMI of 39 000 euros, and 231 000 euros from a discount to a client that we won't issue the credit note for until 2025.

The caption Sundry payables includes:

- 5.989 million euros referring to the advance from IAPMEI under the NGS (New Generation Storage) agenda of the Recovery and Resilience Plan, a project that is still in its early stages;
- 140 000 euros from a reimbursement agreement with the ANPC to be paid in 2025.

14.4 BORROWINGS

Borrowings as of 31 December 2024 and 2023 are detailed as follows:

Financing entities	31/12/2024		31/12/2023	
	Current	Non-current	Current	Non-current
Bank loans at amortised cost	24 674 746	27 609 067	25 000 000	51 621 185
Bank loans at cost	-	10 000 000	-	-
Bank overdrafts (Note 4)	6 956 771	-	-	-
	31 631 517	37 609 067	25 000 000	51 621 185

(Amounts stated in euros)

BONDALTI

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

Financing entities	Maturity	31/12/2024	31/12/2023
Financing payable			
Non-current			
Bank Loans			
Commercial Banks	30/06/2027	37 609 067	51 621 185
		37 609 067	51 621 185
Current			
Bank Loans			
Commercial Banks	30/06/2027	31 631 517	25 000 000
		31 631 517	25 000 000
		69 240 583	76 621 185

(Amounts stated in euros)

In 2019, Bondalti 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 new investments in the coming years.

This refinancing presupposes compliance with financial autonomy ratios of a minimum of 25% and a maximum net debt to EBITDA of 3.25x. 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:

Financing entities	31/12/2024				
	2025	2026	2027	2028	> 2028
Bank loans	31 631 517	30 861 610	6 747 457	-	-

(Amounts stated in euros)

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

(Amounts stated in euros)

14.5 OTHER FINANCIAL ASSETS

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

	31/12/2024			31/12/2023		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
Assets - Non-current						
Other financial assets						
Loans to Other Related Parties	61 167 014	-	61 167 014	61 219 328	-	61 219 328
Other	12 986	-	12 986	12 986	-	12 986
	61 180 000	-	61 180 000	61 232 314	-	61 232 314

(Amounts stated in euros)

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

15. PROVISIONS

The accounting policies adopted for the recognition of Provisions are described in subdivision 16) of Note 2.2.

15.1 PROVISIONS

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

	Other provisions	Total
At 1 January 2023	587 907	587 907
Uses in the year	(60 759)	(60 759)
At 31 December 2023	527 148	527 148
At 1 January 2024	527 148	527 148
Disposal of a Subsidiary	(55 964)	(55 964)
At 31 December 2024	471 184	471 184

(Amounts stated in euros)

As part of Nutriquim's dismantling plan, a provision totalling 1.15 million euros was also set up in 2013, although in recent years part of the provision has been used to cover costs in the same area. The remainder of the provision, at 31 December 2024, is 471 thousand euros.

16. EMPLOYEE BENEFITS

16.1 EMPLOYEE BENEFITS

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

	Post-Employment Benefit		Total
	Defined Benefit Retirement Pension Plan (with no Fund established)	Medical Procedures Plan (with no Fund established)	
Obligation related to defined benefits, as of 1 January 2023	1 851 338	270 685	2 122 024
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
Interest cost	48 543	-	48 543
Benefits paid	(164 310)	-	(164 310)
Actuarial gains and losses	320 661	(32 052)	288 609
Obligation relating to defined benefits, as of 31 December 2024	1 861 843	203 172	2 065 014

(Amounts stated in euros)

16.2 POST-EMPLOYMENT BENEFITS

The Group's accounting policy for recognising actuarial gains and losses related to post-employment benefits with defined benefit plans is described in subdivision 17.1) of Note 2.2.

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

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

The aforementioned actuarial studies are performed using the following method:

Method called “Project Unit Credit”, which uses the following assumptions and technical and actuarial bases, in 2024 and 2023:

	31/12/2024	31/12/2023
Salary Growth Rate for the purposes of Social Sec.	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

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

The Company, although it has not set up any fund or insurance to cover these liabilities, has set up a provision for this purpose, which is updated in accordance with an actuarial study carried out by a specialised and independent body. According to the evaluation report presented by Actuariado - Estudos Actuariais, Económicos e Financeiros, the current value of the company’s liabilities for retirement pensions, at the balance sheet date, is estimated at 1.9 million euros (1.7 million euros in 2023), with the Liability for post-employment benefits being adjusted to this amount.

16.3 MEDICAL PROCEDURE BENEFITS

Bondalti Chemicals is also responsible for bearing the costs of hospitalisation, consultations, and surgical interventions in accordance with company regulations and the current agreement with the CUF Tejo Hospital, as well as the part of the medicines not reimbursed by the National Health Service for some of its former and current employees with whom this responsibility has been 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 2024, is estimated at 203 thousand euros (235 thousand euros as of 31 December 2023), which is included under the heading Liabilities for post-employment benefits.

16.4 STAFFING COSTS

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

	2024	2023
Remuneration of Directors	1 700 000	1 606 622
Compensation of Staff	14 310 031	13 017 255
Retirement Benefits		
Retirement Pension Plan	516 672	115 049
Compensation Payments	848 459	866 834
Charges on Compensation	3 431 443	3 087 062
Insurance against accidents at work and occupational diseases	164 599	136 474
Social action expenses	1 384 585	1 172 570
Other staffing costs	313 252	416 353
	22 669 040	20 418 220

(Amounts stated in euros)

During the years 2024 and 2023, the average number of staff employed by the Group was 344 and 337, respectively, as follows:

	2024	2023	Variação
Bondalti CHEMICALS	295	286	9
Renoeste	-	2	(2)
Elnosa	5	5	-
Nutriquim	-	-	-
Bondalti CANTABRIA	44	44	-
	344	337	7

(5 remunerated directors are included)

(Amounts stated in euros)

17. EQUITY INSTRUMENTS

17.1 CAPITAL

As of 31 December 2024 and 2023, the company's capital, fully subscribed and paid up, consisted of 6 110 000 shares, with a nominal value of 5 euros each, 100% owned by Bondalti Capital, S.A., which, in turn, is 100% owned by José de Mello Capital, S.A., the Group's ultimate controller.

17.2 LEGAL RESERVES

Legal reserves are not available for distribution.

17.3 UNAPPROPRIATED EARNINGS

Of the amount of retained earnings, only 79 835 686.34 euros are available for distribution.

The net profit for 2023, approved at the General Meeting - minute no. 66, totalling 58 203 544.38 euros, was distributed as follows:

• Dividends	–	30 000 000.00 euros
• Unappropriated Retained Earnings	–	27 746 656.98 euros
• Balance Sheet Bonus	–	456 887.40 euros

It should be noted that the consolidated net profit for 2023 did not coincide with the individual net profit due to adjustments in the results of subsidiaries.

17.4 ADJUSTMENTS / OTHER CHANGES IN EQUITY

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

	31/12/2024	31/12/2023
Adjustments to financial assets and liabilities		
Assets		
Financial Holdings	15 397 554	13 990 059
	15 397 554	13 990 059

(Amounts stated in euros)

As described in 2.2, the heading Adjustments to financial assets has been rewritten and grouped to this new balance sheet line.

18. GRANTS AND OTHER SUPPORT FROM PUBLIC BODIES

The accounting policies adopted for the recognition of Government subsidies, including the presentation methods adopted in the financial statements, are described in subdivisions 14) and 21) of Note 2.2.

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:

	31/12/2024	31/12/2023
Investment grant (Note 23)	617 599	610 959
Revenue Grant	1 751 573	1 534 829
	2 369 172	2 145 788

(Amounts stated in euros)

Operating Subsidies include the amount received for Indirect CO₂ Emission Credits, totalling 1.718 million euros.

19. REVENUE

The accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving services provided, are described in subdivision 20) of Note 2.2.

As of 31 December 2024 and 2023, the heading Sales and Services breaks down as shown in the following table:

	2024	2023
Sales of goods		
Goods	15 937 224	24 913 374
Intermediate and Finished Products	548 587 022	469 889 079
By-products, Waste and Scrap	164 404	221 295
Sales Returns	(7 533 192)	(3 418 939)
Sales discounts and rebates	(70 483 097)	(25 791 400)
	486 672 361	465 813 411
Services Provided		
Services	2 517 395	2 037 086
Discounts and rebates	(118 161)	(142 390)
	2 399 234	1 894 696
	489 071 595	467 708 106

(Amounts stated in euros)

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

	2024					
	Portugal	Europe	Africa	Asia	America	Total
Sales of Goods	233 445 997	218 026 995	98 259	494 771	34 606 339	486 672 361
Services Provided	2 288 542	109 693	999	-	-	2 399 234
	235 734 539	218 136 689	99 258	494 771	34 606 339	489 071 595

(Amounts stated in euros)

	2023					
	Portugal	Europe	Africa	Asia	America	Total
Sales of Goods	210 933 126	210 678 268	192 797	704 541	43 304 678	465 813 411
Services Provided	1 813 874	80 822	-	-	-	1 894 696
	212 747 000	210 759 089	192 797	704 541	43 304 678	467 708 106

(Amounts stated in euros)

The gross margin is as shown in the following table:

	2024	2023
Sales	486 672 361	465 813 411
Variation in Production (Note 11.2)	(2 504 572)	(2 449 357)
Cost of goods sold and materials consumed (Note 11.3)	(303 865 604)	(273 724 527)
	180 302 186	189 639 527

(Amounts stated in euros)

In 2024, there was an increase in the quantities produced compared to the previous year, which resulted in higher sales values.

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

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Income and Gains, Subs., Assoc. Ent. and Joint Vent.		
Application of the equity method (Note 10.1)	360 851	439 830
	360 851	439 830

(Amounts stated in euros)

21. OWN WORK CAPITALISED

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Own work capitalised for:		
Property, Plant and Equipment (Note 6)	411 542	256 195
	411 542	256 195

(Amounts stated in euros)

22. EXTERNAL SERVICES AND SUPPLIES

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Specialised Services		
Specialised Work	22 304 488	10 228 139
Advertising and Promotion	88 677	77 935
Security and Safety	724 587	636 352
Fees	390 233	151 467
Commissions	12 629	5 896
Maintenance and Repair	7 680 990	8 129 627
Services by Retainer Fee	1 652 304	1 491 317
Materials		
Tools and Fixtures	130 930	9 241
Books and Technical Documentation	20 208	32 551
Office Supplies	598 570	316 192
Samples	17 788	2 972
Other	115 651	145 203
Energy and Fluids		
Electricity	28 926 267	17 693 122
Fuels	5 105 175	4 035 964
Water	1 930 750	1 989 618
Gases	2 034 936	3 195 872
Other Fluids	234	-
Travel, lodging and transport		
Travel and Lodging	878 393	879 669
Transport of Goods	31 388 938	28 660 091
Transport - Other	35 374	83 922
Miscellaneous services		
Leases and Rents	512 043	1 170 219
Communication	95 076	112 522
Insurance	2 910 817	2 693 754
Litigation and Notaries	48 365	7 233
Representation Expenses	81 392	108 547
Cleaning, Hygiene and Comfort	416 127	372 209
Other	87 900	89 463
	108 188 841	82 319 234

(Amounts stated in euros)

The specialised work heading includes approximately 4 million euros in consultancy for new projects, 1.6 million euros in legal services, and 13 million euros in shared services costs.

The increase in electricity costs was due to higher consumption driven by increased production and the rise in the market cost per kW, as mentioned in the management report.

Transport costs rose by approximately 2.7 million euros, an increase aligned with the value of sales for the reasons explained in note 19.

23. OTHER INCOME

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Additional Income		
Assignment of staff	178 702	44 154
Equipment hire	437 136	408 767
Other	10 054 425	13 002 116
Cash discounts received	1 207	-
Gains on Fixed Assets		
Disposals	1 823 745	-
Income and Gains on Non-Financial Investments		
Disposals	500 733	3 481
Income and other Income from Investment Prop.	4 007	3 778
Gains on emission rights		
Use of rights allocated (Note 33.1)	1 830 531	2 123 603
Other	46 200	46 200
Other		
Corrections relating to previous periods	484 160	144 886
Overestimation of Taxes	-	329 563
Apportionment of Investment Grants (Note 18)	617 599	610 959
Compensation payments for Insurable Events	6 906	36 049
Operating exchange differences (Note 25)	821 153	883 781
Other unspecified	6 624	685 381
	16 813 129	18 322 718

(Amounts stated in euros)

Under the caption Other additional income, support for the provision of the regulation reserve band service was considered, in the amount of 8.394 million euros. In previous years, this support had different characteristics, being called an “interruptibility mechanism” and was considered under the ECS heading.

The value of disposals of Financial Assets refers to the sale of shares in Renoeste, a company held by the Group since 1989.

Gains on emissions rights relate to the allocation of the subsidy from the Portuguese Carbon Fund for the reduction of CO₂ emissions, totalling 1.830 million euros.

The corrections relating to previous years refer to the correction of expenses related to the Lithium project, which were only charged to Lifthium in 2024, amounting to 477 000 euros.

24. OTHER EXPENSES

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Taxes	797 474	503 550
Prompt payment discounts	3 647	11 506
Irrecoverable debts	44 715	-
Expenses and Losses on Non-Financial Investments		
Disposals	58 982	1 286 582
Write-offs	-	94 524
Outros		
Corrections relating to previous periods	1 044	17 424
Donations	1 293 851	1 881 789
Contributions	203 057	181 714
Inventory gifts and samples	14 916	345
Operating exchange differences (Note 25)	1 667 821	997 207
Fines and penalties		
Non-tax fines	999 975	12 178
Other expenses and losses	87 418	429 247
	5 172 900	5 416 066

(Amounts stated in euros)

Taxes largely reflect water resource and effluent treatment charges, totalling 502 thousand euros.

The 1.3 million euros in donations includes, among others, a donation of 1 million euros to the Portuguese Catholic University and a donation of 140 000 euros to the ANPC.

Non-fiscal fines, totalling one million euros, refer to a fine for non-compliance in a raw material customs clearance process.

25. EFFECTS OF CHANGES IN EXCHANGE RATES

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

	2024	2023
Exchange gains included in:		
Other income and gains		
Other operating exchange differences (Note 23)	821 153	883 781
	821 153	883 781
Exchange losses included in:		
Other expenses and losses		
Other operating exchange differences (Note 24)	1 667 821	997 207
	1 667 821	997 207

(Amounts stated in euros)

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

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

26. DEPRECIATION AND AMORTISATION EXPENSES/REVERSALS

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Depreciation and amortisation expenses		
Investment Properties (Note 8)	13 849	33 756
Property, Plant and Equipment (Note 6)	21 539 962	19 969 365
Intangible Assets (Note 9.1)	1 897 327	2 138 892
Right-of-use assets (Note 7.1)	2 472 037	2 456 740
	25 923 176	24 598 754

(Amounts stated in euros)

27. INTEREST AND SIMILAR INCOME EARNED

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Interest income		
From Deposits	605 476	339 026
From other applications of Cash and Cash Equivalents	2 818 578	2 518 816
	3 424 054	2 857 842

(Amounts stated in euros)

28. INTEREST AND SIMILAR EXPENSES INCURRED

As of 31 December 2024 and 2023, this caption is broken down as shown in the following table:

	2024	2023
Interest payable		
On Borrowings	2 340 339	2 007 705
From Finance Leases	423 376	387 555
Other financing expenses		
Stamp Duty on Borrowings	21 474	5 712
Swap raw material hedge	1 780 587	-
Other	459 319	213 751
	5 025 095	2 614 723

(Amounts stated in euros)

The amount of bank guarantee costs refers to the financing contracted with Bondalti Ibérica for the takeover bid launched for Ercros, S.A.

28.1 FINANCIAL EXPENSES - LEASES

A breakdown of interest paid on financial leasing is indicated in the following table:

	2024	2023
Financial expenses - Leases		
Land and natural resources	112 570	55 014
Buildings and other structures	284 787	316 119
Transport Equipment	26 020	16 420
	423 376	387 552

(Amounts stated in euros)

29. INCOME TAX

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

	2024	2023
Current Tax		
Corporation Tax for the year	9 055 172	20 245 269
	9 055 172	20 245 269
Deferred Tax		
Originated and reversed due to temporary differences	(9 412 912)	293 984
	(9 412 912)	293 984
	(357 740)	20 539 252

(Amounts stated in euros)

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

	2024	2023
Deferred tax		
Recognised in Revaluation Reserves	1 451 204	1 594 458
	1 451 204	1 594 458

(Amounts stated in euros)

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

	Balance Sheet Accounts		Income Statement Accounts	
	31/12/2024	31/12/2023	2024	2023
Deferred Tax Assets				
Temporary differences:				
Other				
Post-employment benefits - Medical procedures	45 713	52 925	(7 212)	(7 979)
Post-employment benefits - Pensions	418 915	372 813	46 101	(43 738)
Provisions not accepted for tax purposes	106 016	118 608	308	264
Impairment of depreciable assets	-	311 706	-	(53 862)
Tax Losses	(140 471)	2 156 780	196 817	(1 896 029)
	430 174	3 012 833	236 014	(2 001 343)
Unused Tax Credits	-	-	3 741 794	-
Tax Benefits	-	-	5 291 851	1 131 814
	430 174	3 012 833	9 269 659	(869 529)

(Amounts stated in euros)

BONDALTI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Balance Sheet Accounts		Income Statement Accounts	
	31/12/2024	31/12/2023	2024	2023
Deferred Tax Liabilities				
Temporary differences:				
Adjustments for transition to the SNC				
Revaluation of property, plant and equipment	1 451 204	1 594 458	(143 253)	(575 546)
	1 451 204	1 594 458	(143 253)	(575 546)

(Amounts stated in euros)

30. 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 fluctuate and that the results obtained will differ from those expected, whether positive or negative, impacting the company's asset value.

In carrying out its current activities, the Group is exposed to a variety of financial risks that may alter its equity value, which, according to their nature, may 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.

30.1 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, changing the Group's equity value.

As a rule, the company does not use the financial derivatives market in order to minimise its exposure to changes in interest rates.

For the years ended 31 December 2024 and 2023, the Group's sensitivity to changes in the interest rate index of plus or minus one percentage point, measured as the change in financial results, can be analysed as follows, not considering the hedging effect of derivative financial instruments (Note 14.4):

Rate	31/12/2024	31/12/2023
Decrease of 1% in the interest rate applied to the entire debt	(217 519)	(101 212)
Increase of 1% in the interest rate applied to the entire debt	217 519	101 212

(Amounts stated in euros)

The above sensitivity analysis was calculated based on the exposure to interest rates existing at the end date of each financial year. The basic assumption for this analysis was that the financing structure (interest-bearing assets and liabilities) remained stable throughout the year and similar to that presented at the end of each financial year, with all other factors remaining constant.

(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.

However, its exposure to exchange rate variations for all currencies is not significant.

30.2 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 receivables from its customers, related to its operating activities, are of greater importance, and the company has a risk management policy based on credit insurance.

In cases where there is no credit insurance coverage, the transactions involved are subject to validation by the Credit Committee, which analyses the customer's history, uses means to guarantee the debt's collectibility or, alternatively, requires payment conditions that allow for the total elimination of the risk.

30.3 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 Group has available, at all times, the necessary financial resources to meet its responsibilities and pursue the outlined strategies, honouring all commitments made to third parties, when they fall due, through appropriate management of the maturity of 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.

31. FAIR VALUE

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

2024 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)	9 241 649	-	-
Other Financial Holdings (Note 10.2)	-	91 326	-
Liabilities measured at fair value			
Emission rights (Note 13)	9 241 649	-	-

(Amounts stated in euros)

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	-	-
Other Financial Holdings (Note 10.2)	-	101 837	-
Liabilities measured at fair value			
Emission rights (Note 13)	8 034 155	-	-

(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.

32. OTHER INFORMATION

32.1 ENVIRONMENTAL MATTERS - GREENHOUSE GASES EMISSIONS

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.

During the year, emphasis was placed on environmental legal compliance, the conclusion of the process for allocation of CO₂ emission licences for the period 2021-2030 and the identification of environmental improvement actions.

A total of 50 927 licences were granted to Bondalti Chemicals for the 2024 financial year.

At the moment, the APA has not yet published the number of licences that will be granted in the remaining years (2025-2030) under the ambit of the fourth period of ETS implementation.

	Year 2021	Year 2022	Year 2023	Year 2024	Total
Assigned permits	50 411	50 299	52 183	50 927	203 820

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 23)	Adjustments	Fair Value	Closing Balance
Balance 1 January 2024							
Tons	108 360	50 927	(4 353)	(25 609)	(35)	-	129 290
Amount	8 370 810	3 640 262	(336 269)	(1 830 531)	(2 704)	(599 918)	9 241 649
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

(Amounts stated in euros)

Emissions during the year 2024 were 25 609 t, and it can be seen that, in relation to the allocated emissions, and reduced consumption in recent years, we have a positive difference of 129 290 t.

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

32.2 BANK GUARANTEES AND SURETYSHIP INSURANCE

As of 31 December 2024 and 2023, the Group had assumed responsibilities for guarantees provided, as follows:

		Amount 2024	Amount 2023
Portuguese Environment Agency	B Chemicals	18 974	21 122
Loulé City Council	B Chemicals	74 282	74 282
REN Rede Eléctrica Nacional, S.A.	B Chemicals	260 213	260 213
Directorate-General of Energy and Geology	B Chemicals	14 964	14 964
EDP Clientes S.A.U.	B Cantabria	700 000	700 000
Merlin Properties, Socimi, S.A.	B Cantabria	28 948	28 948
Autoridad Portuaria de Vigo	Elnosa	24 500	24 500
Xunta de Galicia	Elnosa	6 500	6 500
CNVM	B Ibérica	329 170 316	-
		330 298 697	1 130 529
Bureau of Indian Standards	B Chemicals	\$10 000	\$10 000

(Amounts stated in euros, except the last line, in USD [\$])

The amount of 329 million euros for the CNVM guarantee on Bondalti Ibérica refers to the takeover bid project.

Suretyship insurance taken out this year is as follows:

	Amount 2024	Amount 2023
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	119 120	76 628
	469 120	426 628

(Amounts stated in euros)

32.3 PLEDGES AND MORTGAGES

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

32.4 OTHER CREDITS

As part of a project to replace the electrolyzers at the chlorine plant in Estarreja, Bondalti Chemicals took out a documentary credit in 2022 totalling 10.2 million euros, but in 2024 the outstanding balance is 840 000 euros, which will fall due in 2025.

33. EVENTS AFTER THE BALANCE SHEET DATE

From 31 December 2024 to the date of issue of this report, there have been no relevant events that could materially affect the financial position and future results of Bondalti Chemicals, as well as those of all the subsidiaries included in the consolidation.

The outcome of the takeover bid for Ercros, S.A. is expected to take place in 2025, most likely during the second half of the year.

The Board of Directors

The Certified Accountant