INTEGRATED MANAGEMENT REPORT '20

TABLE OF CONTENTS

INTEGRATED MANAGEMENT REPORT

Pursuant to Articles 65 to 66-B of the Commercial Companies Code, we hereby present, with reference to FY 2020, the Integrated Report and Financial Statements of the company OLI - Sistemas Sanitários, SA, with registered office at Travessa do Milão, Parish of Esgueira, Municipality of Aveiro, Portugal, legal person no. 500 578 737, registered at the Companies Register of Aveiro under the same number, with a fully paid-up share capital of € 10,000,000, corresponding to 2,000,000 shares with a nominal value of € 5 each.

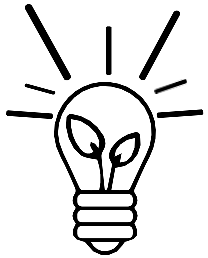
For this FY 2020, OLI presents an integrated report, bringing together in the same document the usual report and accounts, of a more financial nature, with information of an environmental and social nature, in order to report a broader vision of the company and its sustainability in the medium and long term.

OLI considers that all its stakeholders are important, adopting policies aimed at creating value for each of them in its strategy. OLI thus demonstrates that, in addition to financial goals, it has also set goals for the areas related to people and the planet. OLI has had concerns with the environment and water saving in its DNA for a long time, seeking to offer solutions that promote environmental protection through constant innovation. Another strong characteristic of the organisation is its social concern, not only supporting and developing the people who work there, but also the whole community that surrounds it, whether at an associative, educational, cultural or sports level, to highlight the most important ones.

Therefore, this report contributes towards better communicating our evolution, our current status and towards detailing the strategic aspects that contextualise OLI's development and sustainability in the medium and long term.

This inclusive and integrated vision of the organisation is based on the legal and accounting standards in force in Portugal (commercial companies code and accounting standards for financial reporting) and on the Global Reporting Initiative model. **The construction of the organisation's sustainability policies takes into account various conceptual frameworks, including the Global Compact and the United Nations Sustainable Development Goals.**

OLI - MAIN CONCERNS



Environmental

Social

OLI HAS CONCERNS WITH THE ENVIRONMENT AND WATER SAVING IN ITS DNA, SEEKING TO OFFER SOLUTIONS THAT PROMOTE ENVIRONMENTAL PROTECTION THROUGH CONSTANT INNOVATION.

I. INTRODUCTION

1 - NOTE FROM THE CHAIRMAN

FY 2020 has probably been the strangest one we have experienced so far. While there are aspects that take us back to the crisis that occurred 10 years ago, there are more aspects and circumstances that confront us with the unique and exceptional character of these times with no end in sight yet.

After a normal start, a few weeks into the year we were faced with the announcement of a worldwide pandemic that would completely subvert the rules of social, economic and even political life around the world. The most basic rules of coexistence (even among countries) were ignored and disrespected.

We cannot forget the theft of emergency equipment that was carried out by some partner countries, just as we cannot forget the European shortage of protective materials (and basic health equipment). Europe alienated the most elementary aspects of its sovereignty. Nothing that proved to be essential was being manufactured in Europe, which had long since abandoned its stocks of safety materials and emergency equipment (except for Scandinavia, which was still keeping stocks from the Cold War).

Everything was eased in the irresponsibility of a new and, after all, not very brave world. Have we learnt anything? OLI did the best it knew and could, and joined forces with other entities (IST, Erising, INEGI) for the 'urgent' manufacture of face shields, which were all eventually offered (not only in Portugal), showing the intrinsic link of our responsibility to the community.

In sickness, in mourning, in fear and uncertainty, in setbacks and in reassuring successes, but above all in perseverance and sacrifice, in this turbulent year we have lived and relived our core of dedication and overcoming. We did it together, day after day.

We took the opportunity to strengthen our projects in the area of health, focused on its preservation and prevention and on ageing with quality, trying to find alternatives to institutionalisation and hospitalisation. We are developing (at our own expense) products that we expect to be able to launch on the market soon, which will improve the quality and dignity of life, and also the premature (hidden, in the sense of involuntary, and at low cost) prevention of various, serious and less serious, diseases.

We know that we have a long and difficult road ahead of us, in which we lack the means and partners, but we also know that the current solutions are neither the best, not the most accessible, and do not provide the necessary support for the dignity of human life.

Obviously, we know that it is up to us to prove the goodness of these solutions, and that it is also up to us to successfully transform these solutions into industrial and marketable products.

We will not give up!

António Oliveira


We saved
248 TON OF CO
via renewable energy

EUR

Item	2020	2019	Var. 2020/2019 Amount	%
Financial				
Sales	60,089,583	59,327,944	761,639	1.3%
Gross Margin	34,871,092	33,277,900	1,593,192	4.8%
% of Sales	58.0%	56.1%	1.9pp	
EBITDA	12,071,548	8,106,702	3,964,846	48.9%
% of Sales	20.1%	13.7%	6.4pp	
Ebit	7,262,534	3,556,231	3,706,303	104.2%
% Sales	12.1%	6.0%	6.1pp	
Cash-Flow	12,483,805	7,693,645	4,790,160	62.3%
% of Sales	20.8%	13.0%	7.8pp	
Net income	7,443,096	3,233,768	4,209,328	130.2%
% Sales	12.4%	5.5%	6.9pp	
Net earnings per share	3.72	1.62	2.10	130.2%
Equity	49,886,234	40,159,798	9,726,436	24.2%
Financial Autonomy	66.4%	57.4%	9.1pp	
Liabilities	25,199,177	29,818,836	-4,619,659	-15.5%
Solvency	1.98	1.35	0.63	47.0%
Net debt	9,633,779	14,555,155	-4,921,377	-33.8%
Net debt / Ebitda	0.8	1.8	-1.0	-55.6%

EUR

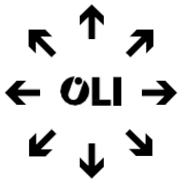
Item	2020	2019	Var. 2020/2019 Amount	%
People				
Average number of employees	430	422	8	1.9%
Disabled employees	8	8		0.0%
Non-national employees	15	9	6	66.7%
Training hours per employee	33h	43h	-10h	-23.0%
Accidents at work	38	32	6	18.8%
Single safety index	384	256	128	50.0%
Medical acts	618	621	-3	-0.5%
Community				
% Domestic suppliers	81.5%	79.1%	2.4pp	3.0%
% Domestic purchases	59.4%	58.7%	0.7pp	1.2%
Donations €	89,909	86,777	3,132	3.6%
Environment				
% Renewable energy	15.1%	6.1%	9.0pp	147.5%
CO2 saving (Ton.) via renewable energy	248	25	223	892.0%
% Waste for recycling or recovery	66%	63%	3.0pp	4.8%

II. STRATEGY

1 - BUSINESS MODEL AND SEGMENTS

Based on a customer-centric business model, OLI develops, produces and markets solutions for sanitary systems. Customers are divided into OLI brand distributors, large private label distribution and Original Equipment Manufacturers (OEM) .

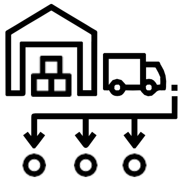
These segments and the combined response to their specific needs promote **OLI's continuous and sustainable presence and growth.**



OLI BRAND DISTRIBUTION

It is characterised by a segment that **values product quality**, service level and good value for money. We highlight the **development of new product solutions** with **design** and **innovation** for the distribution market and for the institutional market, with inputs collected locally by the sales force.

It requires constant technical and human monitoring to sustain its presence in the market with a **high perceived brand** quality.



LARGE PRIVATE LABEL DISTRIBUTION

Segment that values products implemented in the market with a **high service level and an adequate degree of customisation.**

Working with large private-label distribution requires a fast and flexible logistics service to provide a competitive product with low after-sales service needs.

OEM CUSTOMERS

Segment that values development capacity, product quality and flexibility. It requires great adaptability to customer specifications, the importance of know-how in the creation of joint, added-value solutions in the development of the product and its productive scalability.

It requires **strong technical and regulatory monitoring by OLI's R&D team to find solutions that meet the outlined specifications and the standards and certifications of each market.**

SUBSIDIARIES

The development of OLI subsidiaries in Italy, Russia and Germany is part of the strategy for a **sustained sales growth** in the various market segments based on **proximity to the customer,** logistical **service level** and **technical support** .

ITALY

OLI, SRL, based in Casto, Province of Brescia, Italy, established in 1993, continues its distribution of industrial products from the parent company in Italy, complementing this activity with an interesting re-export (and dissemination) of the products from the parent company in markets with a greater affinity with Italy, also coordinating commercial partnerships with a number of important groups in the sector with decision-making centres in Italy (or with a privileged relationship in that market).

It maintains a s**mall ancillary business that manufactures injected parts for third parties**, thus improving the use of its equipment and industrial skills and boosting turnover.

RUSSIA

OLI RUS, based in Moscow, Russia, created in 2015, is currently a trading and industrial company. So, on the one hand it imports and **distributes the industrial products from the parent company in Russia and, on the other hand, it produces components locally to supply the local ceramics industry,** seeking to assert itself as an important player in this sector, by locally manufacturing products with technical characteristics equivalent to those of the parent company, positioning itself above local producers, in terms of quality, service and, obviously, price.

It has simultaneously been developing the production area of interior cisterns with metallic structure, an area with greater added value in the company's product offer.

GERMANY

OLI Sanitärsysteme, based in Möckmühl, state of Baden-Wurttemberg, Germany, created in 2015 with a view to developing **the distribution of the parent company's products** in the German market, allowing us to get closer to potential customers and developing our brand awareness and presence in this important European market.

Its activity recorded continuous growth throughout 2020, including **exports to nearby markets**.

OLI MOLDES

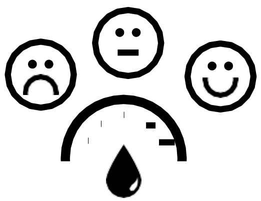
OLI Moldes, Lda, based in Aveiro, Portugal, established in 1991, **produces moulds for plastic injection**, works essentially for the parent company, continuing to play a strategically important role, both for its ability to design and produce moulds adapted to the specificities of our industry, customers and markets, and for ensuring the normal and timely maintenance of the parent company's moulds.

2 - MISSION AND STRATEGIC PILLARS

Our signature - 'Inspired by Water' - reflects the mission of putting innovation at the service of water preservation, with the aim of defending this scarce natural resource on which the life of the planet depends.

MISSION: OLI BELIEVES IN A COMFORTABLE, ACCESSIBLE AND SAFE BATHROOM FOR EVERYONE.

OLI's sustained growth strategy is based on strategic pillars for achieving the best decisions and subsequent results. We believe that our pillars - customer satisfaction, innovation, social responsibility and financial management - promote the perpetuity of our business model.

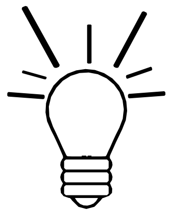


CUSTOMER SATISFACTION

Our relationship with customers and partners spread across 5 continents had to be adapted to the pandemic scenario.

In 2020, we had to invest in new forms of contact so that, throughout the year, we could communicate proactively with our customers in the various markets and segments in order to mitigate the distance caused by the pandemic.

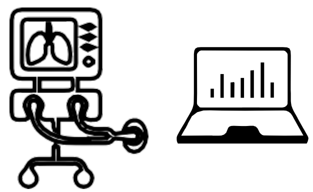
Within this context, OLI seeks to:
- Maximise customer satisfaction through experience: by implementing the sales funnel interconnected with the customer experience journey;
- New ways of getting in touch with customers: through new touchpoints such as an investment in digital transformation;
- Launching new products;
- Resilience of the supply chain: creating an agile, adaptable and intelligent supply chain that builds resilience for the future.



INNOVATION

OLI invests in innovation by working closely with universities and research centres with the aim of creating technologically advanced and sustainable bathroom solutions.

Last year, the company applied its knowledge in Research and Development, strengthening its international competitiveness.



SOCIAL RESPONSIBILITY

Its continuous contribution arises with the aim of evolving as a socially responsible player, so supporting the community has always been present across OLI's culture.

Local sports, school and/or inclusive activities have always warranted particular attention from the company, and since the outbreak of the new coronavirus, our attention has focused on the protection of health professionals with the implementation of a humanitarian project.

FINANCIAL MANAGEMENT

For the company to be sustainable and have the means necessary for its growth and development, the economic and financial side has to be crucial to its performance. We highlight the following target areas:

- Sustainable growth in the medium and long term;
- Growth with financial balance;
- Optimisation of the capital structure.

3 - VALUE CREATION

OLI's business model is aimed at creating value for stakeholders and the long-term **sustainable development** of the brand. This model integrates the various levels of value generation according to their importance for OLI and their alignment with the **United Nations Sustainable Development Goals (SDGs).** Of the 17 goals, 7 are aligned with value creation at the **financial, human, social and environmental levels.**

Business

Every day, OLI treads the path towards creating and delivering value throughout the supply chain. Challenges exposed by the market are arising and the brand undertakes to address them through an approach of proximity to the different market segments.
We buy the raw material, we bring together people and machines and build the flush: a product responsible for preserving water, a scarce natural resource.

It is innovation that, as a strategic pillar of the company, brings intangible value to the business, allowing it to improve its competitiveness.

- **Goal** 9 - **Industry, innovation and infrastructure**
- **Goal** 12 - **Responsible production and consumption**

People

People are one of the most important assets in the company insofar as they are one of the factors that generate value and support the proper implementation of processes and the achievement of OLI's sustained growth.

The United Nations Sustainable Development Goals (SDGs) serve as guidelines to support the implementation of strategies, goals and activities for the dignity of human beings.

- **Goal** 10 - **Reduce inequality**

Community

OLI is committed to ensuring healthy lives and promoting the well-being of everyone in the community.
The increase in the number of COVID-19 cases causes a significant loss of life and overloads the National Health System. We are responsible for contributing with industrial knowledge and donations towards improving the quality of life of the community where our employees and their families live.

The United Nations Sustainable Development Goals (SDGs) are guidelines to help implement activities for the dignity of all.

- **Goal** 3 - **Good health and well-being**
- **Goal** 4 - **Quality education**
- **Goal** 8 - **Decent work and economic growth**

Environme

The aim is to decrease the carbon footprint, increase the quality of the community's environment and enhance its landscape surroundings.
'*We want to play an active role in preserving the environment and improving the quality of life of the community*', says António Oliveira,

Adopting sustainable consumption and production patterns will mean improving resource efficiency. The United Nations Sustainable Development Goals (SDGs) serve as guidelines to support outlining strategies, goals and activities to preserve the planet.

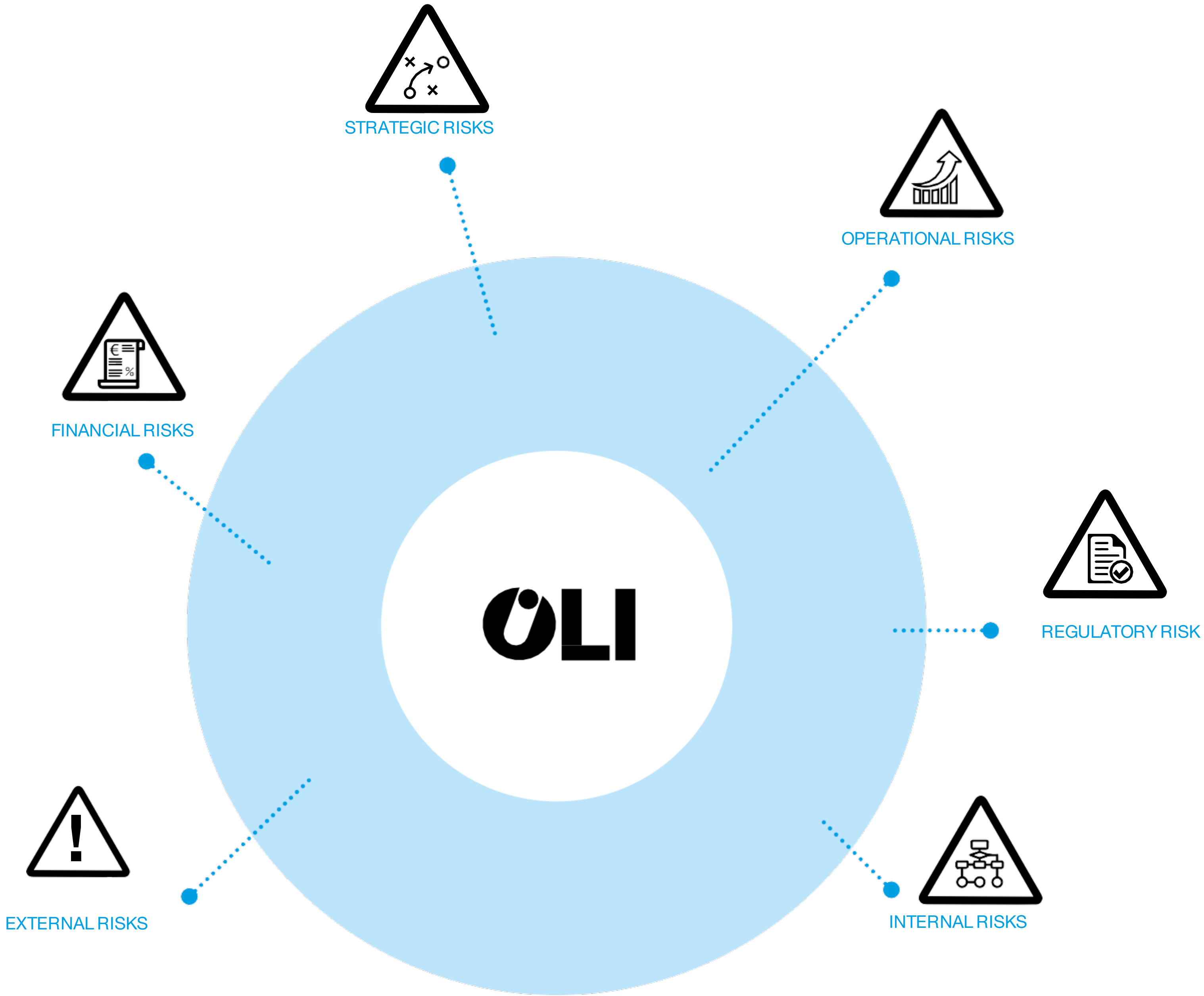
- **Goal** 12 - **Responsible production and consumption**
- **Goal** 7 - **Affordable and clean energy**

4 - RISK MANAGEMENT

The primary objective of risk management is to support OLI in pursuing its long-term strategy. Risk management seeks to identify opportunities and risks as early as possible and to adopt the most appropriate measures to enhance the former and reduce or mitigate the latter.

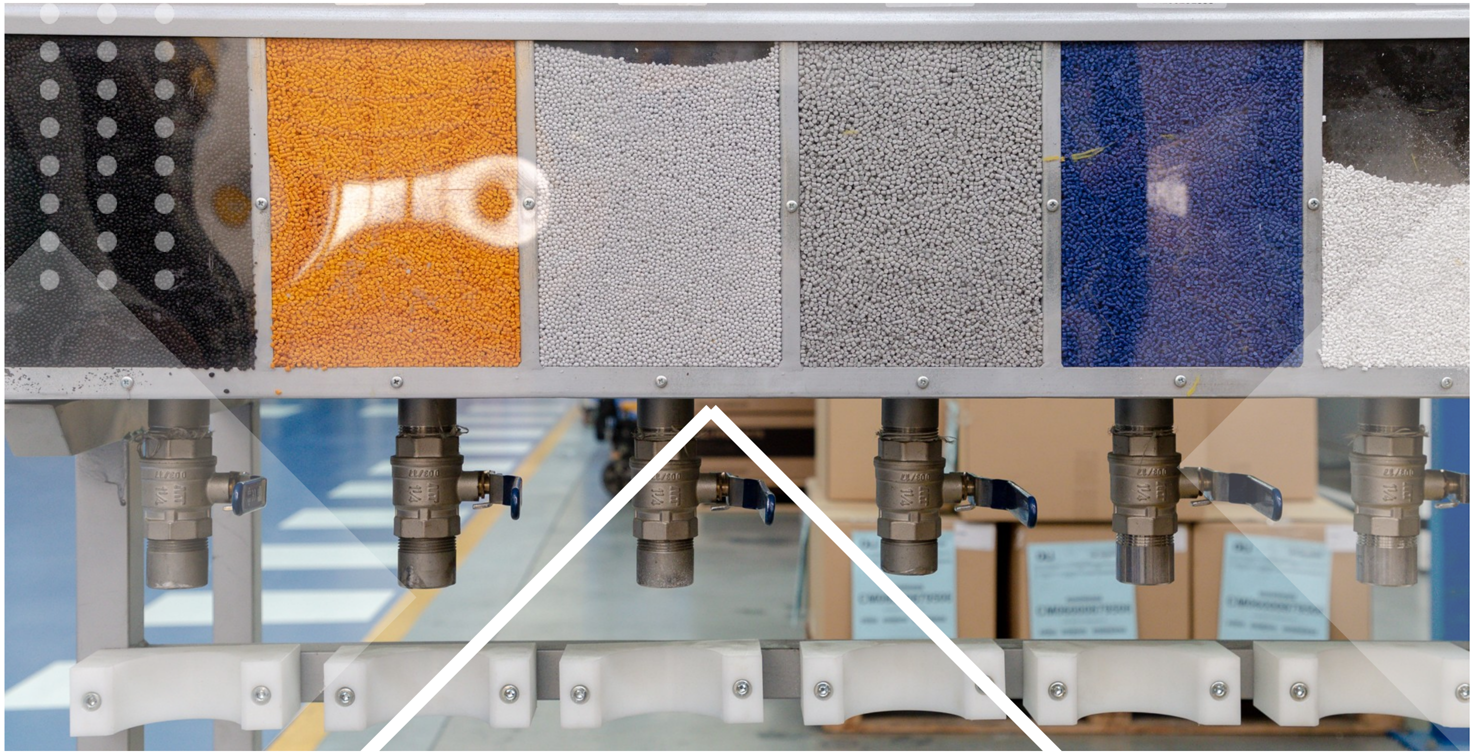
As part of its risk management policy, OLI monitors risk events and impacts, adopting monitoring, mitigation and elimination measures. The existing risk policies are reviewed and new guidelines proposed annually. Where necessary, we propose non-scheduled activities, making the risk management system dynamic and flexible in view of its context and environment.

We summarise the main risks below, organised by major groups, summarising the actions taken to mitigate them. The list is not intended to be exhaustive and is dynamic, depending on the evolution of the internal and external environment.



STRATEGIC RISKS

Risk	Risk Management
Efficiency of the investments made by the company	Resources are scarce, so it is important to ensure that the investments made return the expected results. OLI evaluates its investments before, during and after completion and takes the necessary measures to make them efficient.
Attraction and retention of qualified human capital	People are the foundation of our organisation and their knowledge, skills and competencies a key factor in the growth and development of the company. OLI adopts talent flagging and retention policies with a view to their growth and evolution within the organisation.
Technological evolution	The company is constantly monitoring technological developments in various areas to ensure that it is at the forefront of their adoption if it proves positive for its competitiveness and long-term sustainability.
Innovation	OLI is constantly monitoring market and consumer needs in order to develop products and processes that meet them, privileging solutions with the least possible environmental impact.
Partnerships	The development of knowledge and the creation of innovative solutions is leveraged by partnerships with the national scientific system and with suppliers and consultants, so managing the relationships with these entities is crucial to OLI.



OPERATIONAL RISKS

Risk	Risk Management
Ensuring health and safety at work	OLI develops a set of actions in order to ensure the health and safety of its employees. The activities developed in this area have gained a lot of importance in the context of the disease caused by the Coronavirus, and the company has formed its own group to manage all the activities necessary to minimise its impact.
Business continuity and crisis management	As in the previous point, business continuity became more of a concern last year. Seeking to guarantee the safety of its employees and ensure the functioning of the supply chains for essential materials and services were two of the areas where measures were implemented to reduce the risk of a breakdown or suspension of activity. OLI never stopped during the pandemic crisis and implemented contingency plans to ensure that this does not happen in the future.
Cybersecurity	This is one of the areas that is becoming increasingly important at OLI. Just as you can't work without energy, the same can happen without data and an operational information system. The company has been investing in equipment, software, procedures and training in order to minimise this risk as much as possible. OLI has a liability insurance to help mitigate risks in this area.
Fraud	OLI's organisational culture is the foundation for guaranteeing the absence of fraud situations. So, in terms of internal control, the company has a set of actions in place to eliminate this risk, guaranteeing the segregation of functions and the authorisation of operations, cross-checking information, whenever possible, from independent sources.
Catastrophic and pandemic events	OLI is more robust and resilient when it comes to preventing the impact that these events may have, having created management tools, such as the identification of likely high-impact situations and the respective contingency plans, to identify the necessary measures to be taken should any of those situations occur.

REGULATORY RISK

Risk	Risk Management
Legal	For each of these situations, OLI monitors all legal changes which may have an impact on its activity and its business model, seeking to outline and implement actions to comply with the respective rules and standards. All based on a deep-rooted culture of strict compliance with the regulatory environment.
Environmental	
Tax	
Data privacy	

FINANCIAL RISKS

Risk	Risk Management
Customer Loans	Credit risk results mainly from loans granted to customers, related to operating activities. The main purpose of credit risk management is to ensure the effective collection of customer debts, in accordance with negotiated conditions. In order to mitigate the credit risk that derives from the potential default of payment by the customers, OLI: - Has in place credit control procedures and credit approval processes; - Has a team dedicated to the management of loans and collections; - Establishes and monitors its customers' credit limits, monitoring effective exposure; - Has taken out credit insurance; - Makes use of all legal means available for credit recovery, when applicable.
Other financial assets	In addition to the assets resulting from operating activities, the company holds financial assets resulting from its relationship with Financial Institutions, such as bank deposits. Consequently, there is also a credit risk associated with the potential default of the Financial Institutions with which it has these relationships. Financial exposure related to this type of financial assets is widely diversified and short-term.
Interest Rate	As a result of the relevant weight of debt at variable rates in its Balance Sheet, and the subsequent interest payment cash flows, the company is exposed to interest rate risk, particularly to the risk of fluctuations in the Euro interest rate. In order to reduce this risk, the company has contracted medium- and long-term fixed rate financing operations.
Exchange Rate	Exchange rate risk relates to the possibility of recording losses or gains as a result of exchange rate changes. The Group's operations are international and it has a subsidiary operating in Russia, thus being exposed to exchange rate risk. The exchange rate risk management policy seeks to minimise the volatility of investments and operations denominated in foreign currencies, thus contributing to lowering the Group's sensitivity to currency fluctuations. Whenever possible, the Group attempts to hedge exposed amounts by offsetting granted (assets) and received (liabilities) loans denominated in the same currency.
Liquidity	Liquidity risk management aims at ensuring that the company is able to obtain the necessary financing in a timely manner, in order to carry out its business activities, implement its strategy and comply with its payment obligations when due, while avoiding the need to obtain financing under unfavourable conditions. To this aim, liquidity management involves the following aspects: - Consistent financial planning, based on cash-flow forecasts and according to different time horizons (weekly, monthly, annual and multi-annual); - Financing source diversification; - Diversification of debt maturities issued in order to avoid excessive concentration of debt repayments over short periods; - Contracting of short-term credit lines, commercial paper programmes and other types of financial operations, so as to ensure a balance between adequate levels of liquidity and fees borne.
Capital	OLI's capital structure, determined by the proportion of equity and debt, is managed to ensure the continuity and development of its operating activities, maximise shareholder return and optimise the cost of financing. OLI periodically monitors its capital structure, identifying risks, opportunities and necessary adjustment measures in order to achieve the aforementioned objectives.

III. PERFORMANCE

1 ECONOMIC ENVIRONMENT

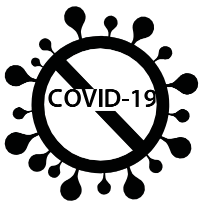
EUROPE REPRESENTS 88% OF OUR SALES

MACROECONOMIC BACKGROUND

In general, economic growth around the world was strongly hampered by the social and economic crisis resulting from the fast worldwide spread of the pandemic caused by COVID-19. Everything we witnessed was unpredictable and unimaginable.

The breakdowns in trust and supply chains, the lack of coordination at various levels and the failure of public health systems, forced us to review our plans every week, even every day.

It was a year that ended well, in economic and financial terms, but it was a very difficult year from all points of view.



EUROPE

Europe, which, including Portugal, represents 88% of our sales, lived at the pace of lockdowns and, therefore, showed a behaviour that varied greatly in each sub-region, as well as between the first and second semester.

The first half of the year (and the second quarter in particular) brought a huge contraction to Southern Europe. The second half of the year allowed a recovery in all regions of the continent.

By the end of 2020, we managed to reach the figures of 2019, despite a 14% drop in Southern Europe, offset by strong growths in Central Europe (27%) and Eastern Europe (44%). We believe that our market share has grown in Central and Eastern Europe, so the sales growth figure does not match the performance of those economies.

Portugal had a relatively homogeneous behaviour, with a slight slowdown in the second quarter, but with closing figures that were very close to those achieved in 2020. Despite the COVID-19 crisis, the construction industry maintained an interesting dynamic, with much activity in both new construction and renovation in the main urban centres.

OUTSIDE EUROPE

Africa had a poorer performance due to the slowdown in the North African markets (-15%). Sales in sub-Saharan Africa grew by 11%, but did not make up for that drop.

Sales to the Americas showed different behaviours in the sub-regions of the continent, having decreased (18%) in the North and grown 13% in the Centre and South Sales in the Middle East, as a whole, grew by around 19%, but the behaviour by country is very different, and there are still strong tensions preventing the markets from stabilising and hampering our local commercial activity.

In Asia, although our sales are still negligible, the circumstances of the year led to a sharp drop in sales. We have continued to work to improve our presence, but the results are yet to appear in a satisfying and rewarding way.

Our good sales performance for the year as a whole was mainly due to an increase in our market share in some countries.

We should also mention that this performance was achieved in an environment of total adversity and complete unpredictability, in which all commercial and relational practices were completely subverted and changed, with part of the employees teleworking, abnormal levels of absenteeism, unusual spending on prevention actions and uneven levels of activity.

We should highlight the willingness of all employees, partners, suppliers and customers to understand this new world.
We cannot fail to thank all our employees for their unsurpassable commitment, as well as for our customers' understanding and our suppliers' collaboration. Without this atmosphere of mutual help and solidarity, we would not have been able to achieve the good results that we eventually achieved.

13% IN THE CENTRE AND SOUTH OF THE AMERICAS
19% MIDDLE EAST

EXPORT AND SALES TO DOMESTIC CERAMIC COMPANIES

Sales in this process had a better performance, with a growth of approximately 2.4%. Sales to domestic ceramic companies dropped due to circumstances related to the customers and the market. The export of manufactured products, despite performing well, was not the same in all markets. Southern Europe was the most affected region, together with North Africa and Asia. However, the growth achieved in Central and Eastern Europe and in the Middle East allowed offsetting these losses.

In regional terms, Europe is the main destination of our sales (88.2% of sales volume) with a growth of 2.2%.

DOMESTIC DISTRIBUTION AND PALOPs

Sales in this process (which include sales in Portugal and PALOPs of goods that we buy and products we manufacture) represented 22% of the company's total sales and decreased by 2%, corresponding to € -247,777, due to the drop in sales in Africa.

Broken down by major families, manufactured products showed a decrease of around 1% (with greater incidence on external flushing cisterns) and goods showed a drop of around 1.8% (especially in the bathroom and furniture areas).

EUROPE AS A MAIN DESTINATION OF OUR SALES. 2% GROWTH

CONCLUSION

Global sales reached an amount of € 60,089,583, which represents a growth of 1.4% compared to the previous year. Looking at the division between domestic and foreign markets, we have:

- Domestic market: € 13,400,602 (22.3% of total sales) with a drop of 1.4%;

- Foreign market: € 46,688,981 (77.7% of total sales) with a growth of 2.2%.

€ 60,089,583

Sales Turnover 2020

€13,400,602

Sales Internal Market

€ 46,688,981

Sales External Market

SALES ARE BROKEN DOWN BY ACTIVITY AS FOLLOWS:

- Manufactured products: € 54,973,069 (91.5% of total sales) with a growth of 2.0%;

- Marketed products: € 5,116,514 (8.5% of total sales) with a drop of 5.5%.

BREAKING DOWN THE INFORMATION BY BUSINESS UNIT:

- Distribution (Portugal and PALOPs): € 12,930,418 (21.5% of total sales) with a drop of 2.6%;

- Industrial sales (Portugal and Export): € 47,159,165 (78.5% of sales) with a growth of 2.5%;

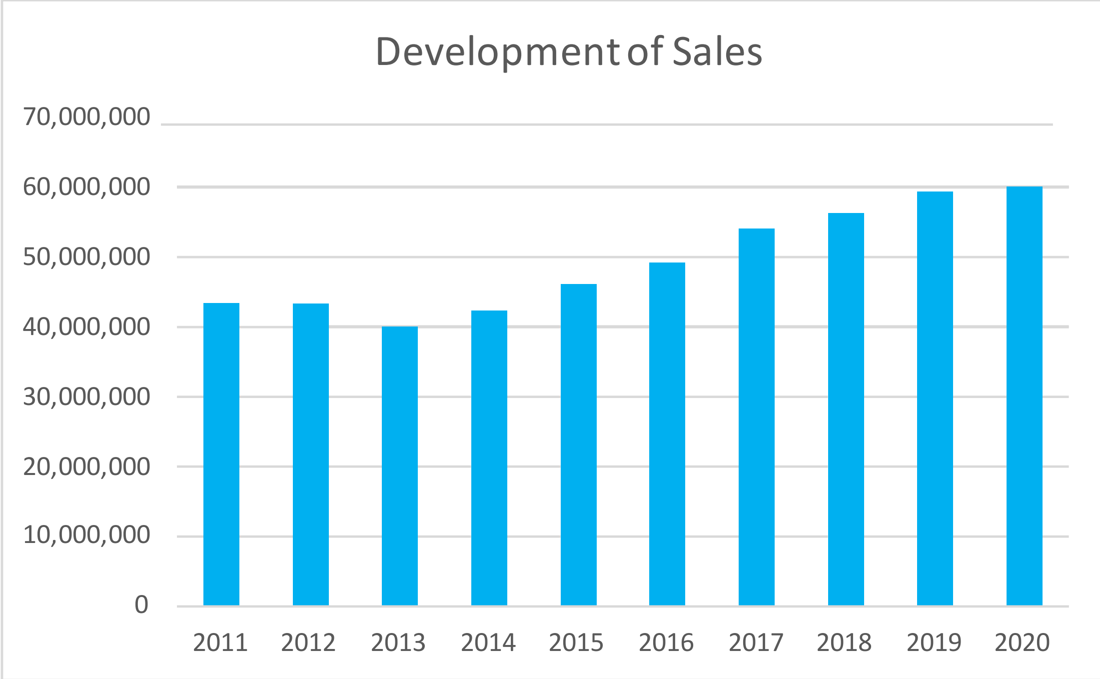
- Real estate: there was no sales-related activity. However, in terms of supplementary income, this activity generated € 285,700 in rents related to the properties allocated to this activity.

As we have already mentioned, in FY 2020 OLI achieved a sales turnover of € 60,089,583, which represents an increase of € 761,639 , i.e., 1.3% compared to 2019. The contribution to this positive evolution came from sales to the foreign market, with a growth of 2.1%. Sales to the domestic market fell by 1.4%.

SALES GROW € 761,639

1.4%

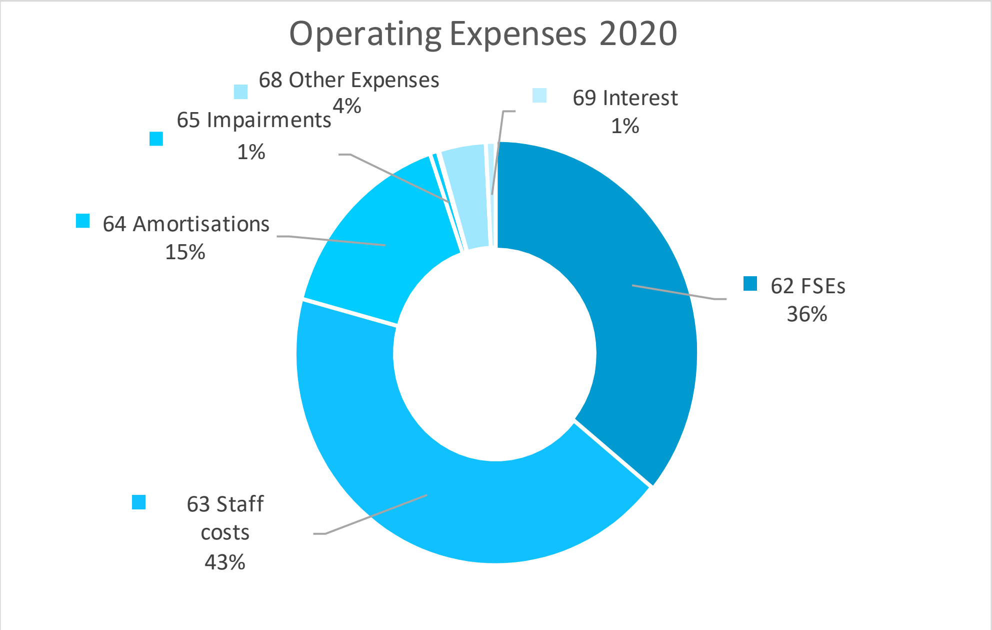
2020 VS 2019



In terms of gross accounting margin, there was an increase compared to the previous year, achieving 58% as a function of sales.

In terms of operating expenses (excluding items related to subsidiaries and considering impairments net of reversals) there was a significant drop compared to 2019. As the impact of the COVID-19 pandemic unfolded, the company adopted measures to safeguard its financial balance. Expenditure fell back not only because the company decided to reduce or eliminate some activities, but also because some activities could not be carried out (such as travel or customer visits).

Operating expenses amounted to € 30,996,283, with a decrease of € -1,755,227, corresponding to -5.4% of total costs; the main contributors to this decrease were External Supplies and Services and Other Expenses, with reductions of 17.3% and 19.0% respectively .



In terms of impairments, and considering increases and reversals, we closed 2020 with a value of € 199,850, recording an increase in this item resulting both from customers and inventories.

As in the previous year, interest and similar expenses fell by € -15,228, corresponding to -5.9%, as a result of a drop in financing conditions and of the level of net debt recorded throughout the year.

EBITDA reached € 12,071,548, recording a strong increase of 48.9%, corresponding to € 3,964,846 more than in the previous year. In relative terms and compared to sales, the ratio was 20.1%, up 6.4 percentage points compared to the previous year. Cash flow stood at € 12,483,805, an increase of 62.3%.

The impact of the subsidiaries, according to the equity method, was positive and reached € 940,995.

Net income stood at € 7,443,096, more than double that of the previous year. Excluding the impact of the subsidiaries, the net profit of the commercial, industrial and real estate activity increased by € 3,472,049 to € 6,502,101.

NET INCOME STOOD AT € 7,443,096, DOUBLED COMPARED TO THE PREVIOUS YEAR

INVESTED CAPITAL

Working capital requirements in 2020 increased by € 468,569 compared to the previous year, standing at € 11,444,537.

Investment in tangible and intangible fixed assets, including investment in investment properties, amounted to € 2,910,135 in 2020, which represents a decrease of 21.5% compared to 2019.

Investments were concentrated in 4 areas:
- Land and Buildings - 21%
- Moulds - 48%
- Manufacturing equipment – 22%
- The remaining 9% was split between the acquisition of administrative equipment, transport equipment and other tangible and intangible assets.

21%
Land and Buildings

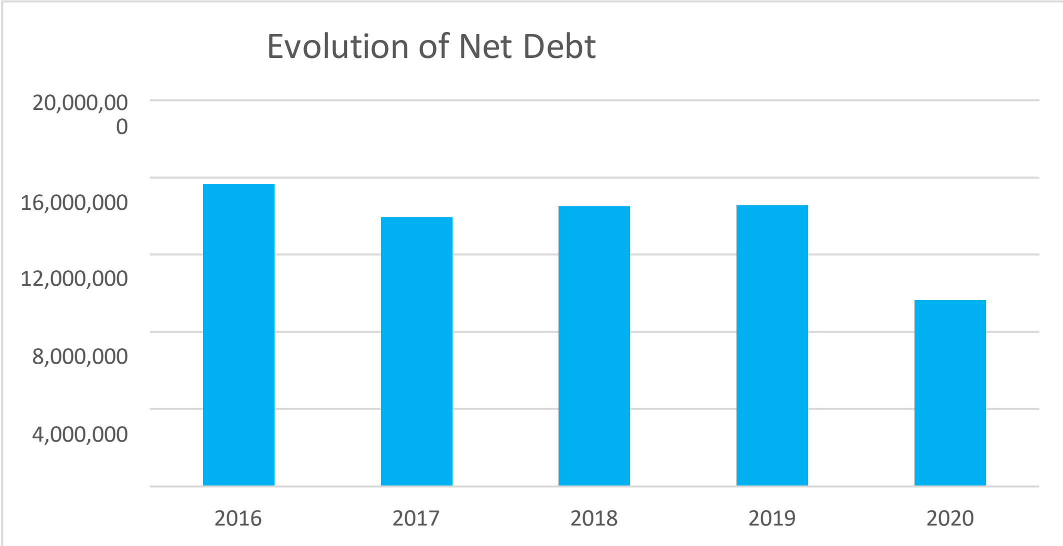
22%
Manufacturing Equipment

48%
Moulds

9%
Other

FINANCIAL ANALYSIS

The cash flow recorded allowed the company to cover all the capital invested in fixed assets, working capital and subsidiaries, and so its indebtedness decreased, ending 2020 with a net debt of € 9,633,779, a reduction of 34% compared to 2019.



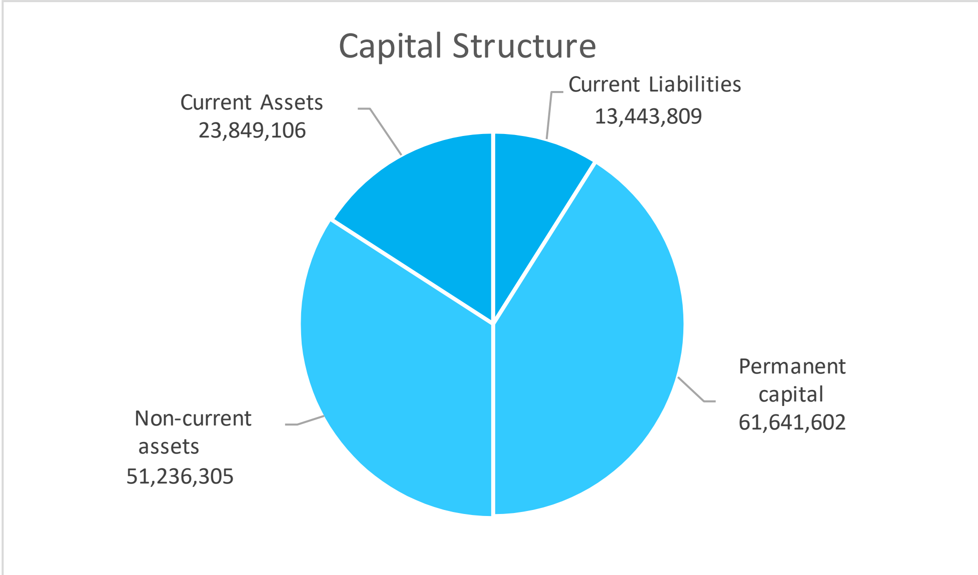
The increase in EBITDA, together with the slight increase in net debt, led to a decrease in the debt-to-EBITDA ratio:

EUR

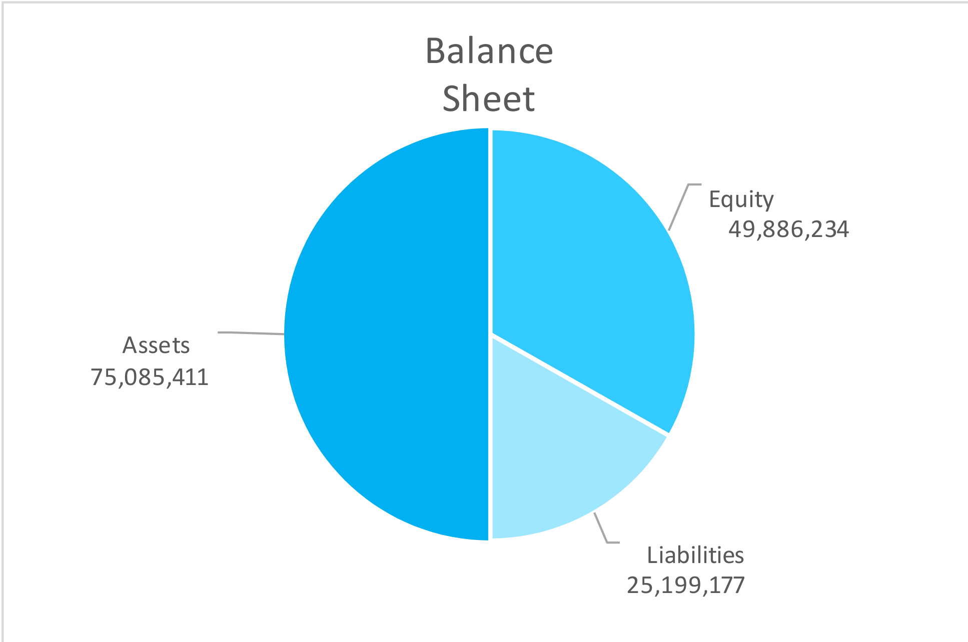
Item	2020	2019	Var. 20/19	
Net debt	9,633,779	14,555,155	-4,921,377	-33.8%
Net debt / EBITDA	0.80	1.80	-1.00	-55.6%

In terms of capital structure, the company maintained its policy of optimisation by seeking to finance investment in fixed assets and permanent working capital needs through medium- and long-term financing, and to finance the cash cycle through short-term financing instruments.

Therefore, at the end of 2020, permanent capital represented 120% of non-current assets, while current liabilities represented 56% of current assets.



FINANCIAL AUTONOMY INCREASED TO 66.4%



Creating a brand that we are proud of is a life project that involves constant adaptations.

The OLI brand reflects the values and pillars of the company and defends them with all its conviction through constant messages to the market.

With the pandemic, OLI developed touchpoints to strengthen its relationship with the market. It strengthened digital marketing, accelerated the development of new products and promoted the customer experience day .

Thanks to the resilience of its people, it has enabled the market to create help content through more than 90 product installation and maintenance videos, constant webinars for various geographic locations (Asia and Northern Europe), with the aim of reaching potential markets and proactively communicating with customers.

VIRTUAL SHOWROOM

To create an even closer bond with customers, OLI has expanded its digital presence with the creation of new content on its corporate website www.oli-world.com.

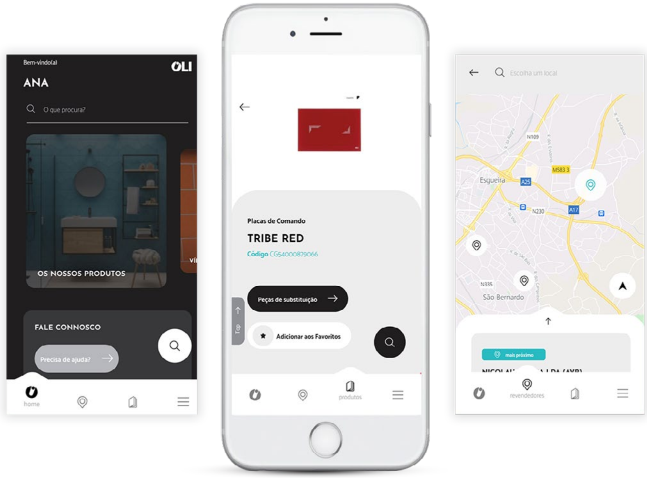
In this investment, we highlight the creation of a 360º tour of the showroom, allowing visitors to discover the latest proposals in terms of bathroom and air conditioning solutions .

In just one year, we were able to receive more than 3,000 online visits

OLI TECH

OLI TECH has been developed to provide direct access to useful information for industry professionals. With this application, OLI makes technical data sheets, assembly instructions, videos and main product features available to the market more quickly.

This permanent touchpoint led to more than 250 downloads in 2020.



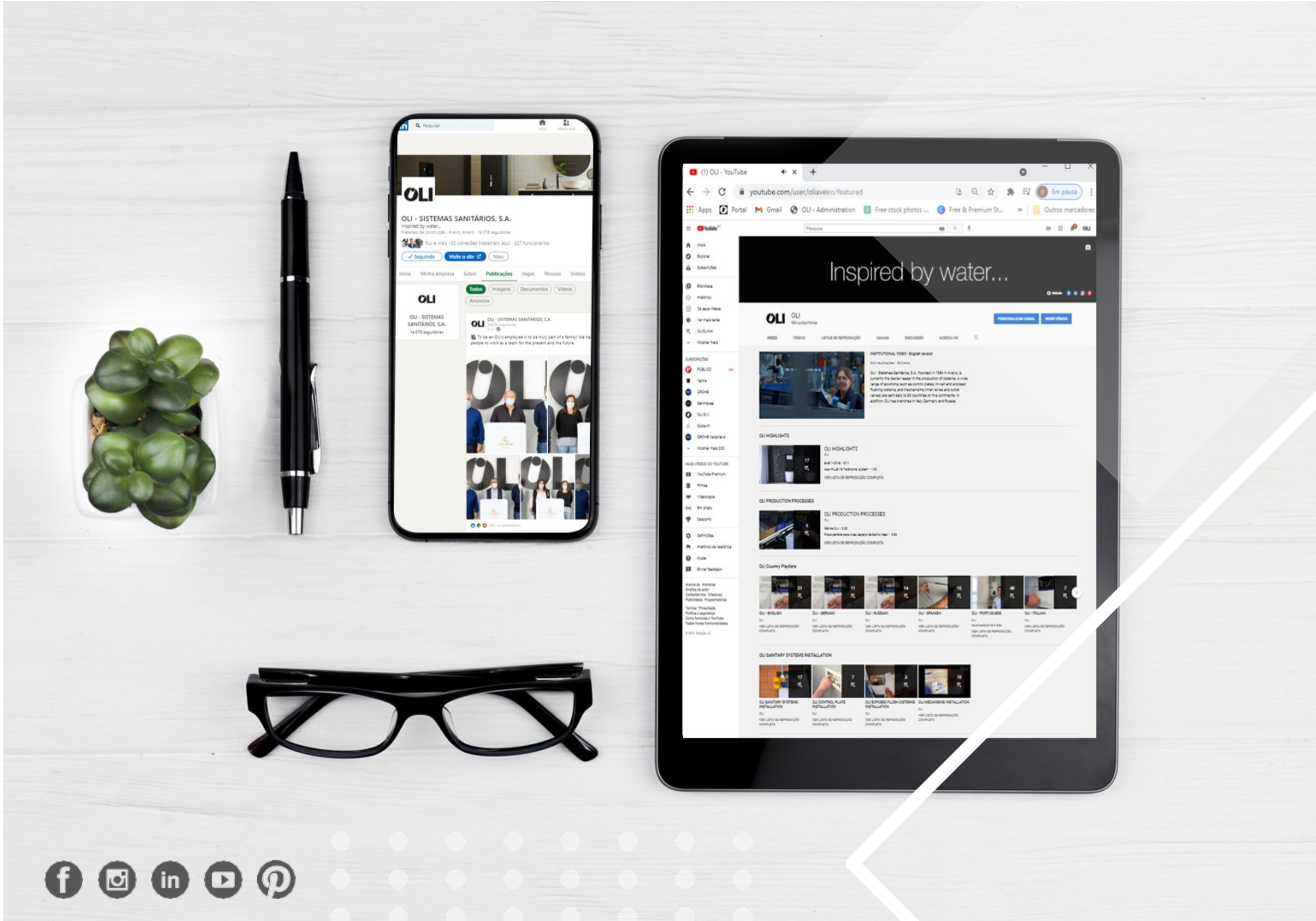
FAVOURITES DISTRIBUTORS SPARE PARTS FEEDBACK NEW PRODUCTS

SOCIAL MEDIA

Throughout 2020, social media were responsible for a huge positive impact not only in maintaining engagement with current and potential customers, but also with employees.

Of all the social media, it was LinkedIn that responded best to the pandemic by promoting International Workers' Day, creating videos on remote work and disseminating reference works .

	2020	Var. 2020/2019 2019	Amount	%
Followers LinkedIn	13,235	10,301	2,934	28.5%
Views Youtube	234 304	92,948	141,356	152.1%
Visits Website	232 091	206,571	25,520	12.4%
OLI Tech Downloads	259		259	-

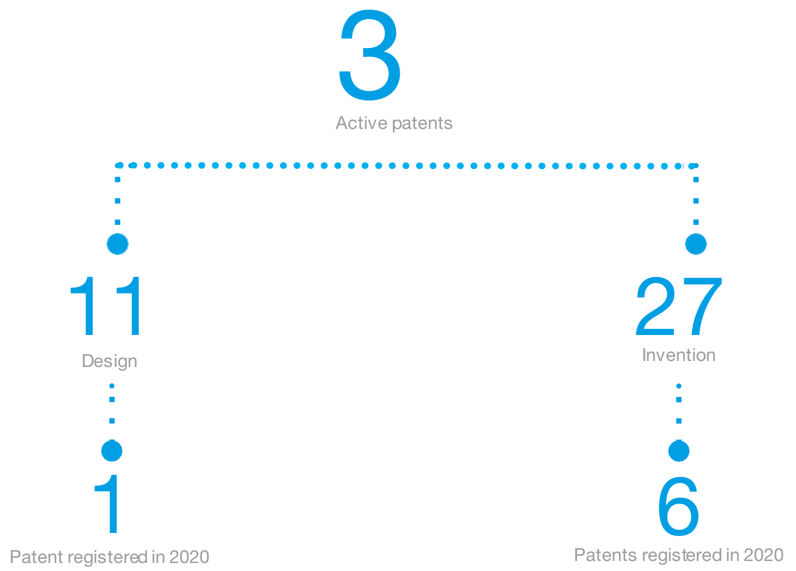


28.5 LinkedIn

152.1 Youtube

12.4% We

TO COMPETE ON A GLOBAL SCALE, OLI IS CONTINUOUSLY INVESTING IN INNOVATION, RESEARCH AND DEVELOPMENT



Using patented technology and high-quality manufacturing standards, the company is always looking for better solutions in terms of water efficiency and the inclusion of people with reduced mobility in access to sanitary facilities.

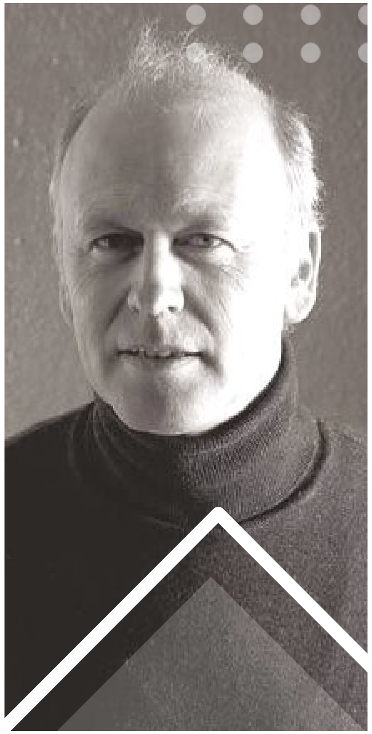
OLI is currently among the Portuguese companies that have more patents in Europe, being the most innovative in the construction sector, according to the European Patent Office report for the last five years, with a total of 38 active patents.

- Development of solutions with IoT: SMAC Project, a universal system for controlling the volume and flow of flushing cisterns and the AUGMANITY Project focused on creating products, processes and services in technological areas, which together will develop technologies to support people operating in industrial environments;

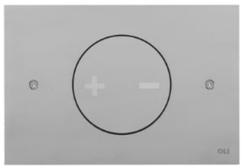
- Development of medical devices: Multifunction Connector for Respiratory Circuits in Non-Invasive Ventilation. The connector is a class II medical device geared to healthcare professionals.

- 3 Universities and Institutes: innovation partnerships in collaborative projects focused on sustainable bathroom solutions and protective materials for healthcare professionals.

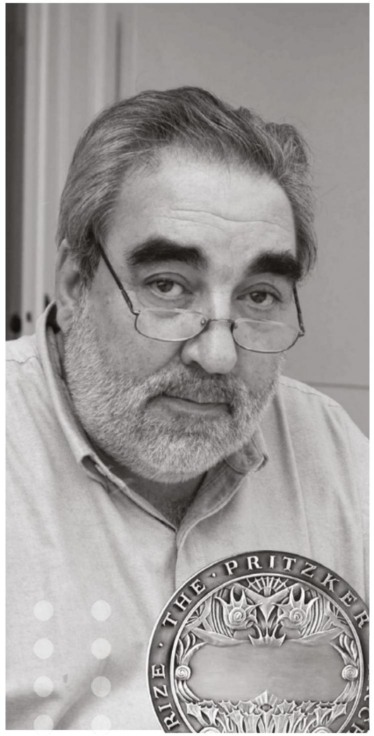
Partnerships with World Architecture:



Romano Adoline
INO-X Control Plate



Álvaro Siza Vieira
TRUMPET Control Plate 1992
Pritzker Prize



Souto de Moura
SM15 Control Plate
2011 Pritzker Prize

Alessio Pinto
LESS is MORE Control Plate

The emergence of the pandemic in March 2020 had a major impact on the development of human resources activities, on leadership, on the way of working and especially on everyone's health. There was a need to rethink, cancel, postpone and/or adapt everything taking into account the new reality. What we are now developing must always be seen in light of this constraint.

The number of employees varied throughout the year, taking into account the need to make the necessary adjustments to the period we were experiencing.

Item		2020	2019	2020 VS 2019
Number of employees on 31-12-2020	m	211	206	2%
	w	208	225	-8%
TOTAL		**419**	**431**	**-3%**

-

2020 VS 2019

CHARACTERISATION OF HUMAN CAPITAL

At the end of FY 2020, the number of employees was 419, a decrease of 3% compared to the previous year.

Throughout the year, the average variation in employees was 2%.

Item	2020	2019	2020 VS 2019
Average number of employees during the year	430	422	2%

2

2020 VS 2019

The average age was 39.5 years.

Item	2020	2019
Average age	39.5	39.6

39.

2020 VS 2019

The absenteeism rate increased by 45% compared to the previous year, to 6.8%.

Item	2020	2019	2020 VS 2019
Overall absenteeism rate	6.8	4.7	45%

45

2020 VS 2019

67%

2020 VS 2019

The number of foreign employees at the end of the year was 15, which corresponds to 3.6% of the total number of employees.

Item	2020	2019	2020 VS 2019
From European Union countries	7	5	40%
From Portuguese-speaking countries	7	4	75%
Other nationalities	1	0	
TOTAL	**15**	**9**	**67%**

0

2020 VS 2019

The number of employees with disabilities was 8, corresponding to 1.9% of the total number of employees.

Item	2020	2019	2020 VS 2019
Employees with disabilities	8	8	0%

23

2020 VS 2019

The number of employees who took parental leave totalled 23.

Item		2020	2019	2020 VS 2019
Number of employees entitled to paternity leave	m	9	11	-18%
	w	14	12	17%
Number of employees who returned to work after their paternity leave	m	8	11	-27%
	w	12	12	0%






VOCATIONAL TRAINING

2020 was a difficult year to develop what we had planned in terms of training. Most of the face-to-face training courses were cancelled and those that took place had a smaller number of trainees. We chose to carry out initiatives shorter, on-the-job training sessions, as well as to significantly increase online training. The figures for training in 2020 are shown in the tables below.

The number of training hours was 14,240:17h.

Item		2020	2019	2020 VS 2019
Number of training hours	m	7,312:30	9,993:47	-27%
	w	6,927:47	8,475:36	-18%
TOTAL		**14,240:17**	**18,469:23**	**-23%**

-23%

2020 VS 2019

The number of people involved in training courses was 460.

Item		2020	2019	2020 VS 2019
Number of trainees	m	227	223	2%
	w	233	240	-3%
TOTAL		**460**	**463**	**-1%**

-

2020 VS 2019

The average number of hours stood at 33:07

Item	2020	2019	2020 VS 2019
Average number of hours per employee	33:07	43:45	-24%

-24%

2020 VS 2019

The number of training hours was distributed according to the following training areas:

Number of hours per training area	M	W	TOTAL	
347 - Organisation/company framework	5,472:05	5,323:30	10,795:35	76%
090 - Personal development	893:20	924:52	1,818:12	13%
862 - Safety and hygiene at work	141:45	190:35	332:20	2%
529 - Engineering and related techniques - programmes not included in another training area	212:00	49:30	261:30	2%
342 - Marketing and advertising	170:00	86:00	256:00	2%
482 - Computer user skills	91:50	102:00	193:50	1%
222 - Foreign languages and literatures	80:00	102:00	182:00	1%
840 - Transportation services	175:00		175:00	1%
345 - Management and administration	24:00	53:20	77:20	1%
349 - Business sciences - programmes not included in another training area	6:00	67:00	73:00	1%
522 - Electricity and energy	22:00		22:00	0%
344 - Accounting and taxation	1:00	16:00	17:00	0%
481 - Computer sciences	16:00		16:00	0%
341 - Trade	3:00	9:00	12:00	0%
346 - Secretariat and administrative work		4:00	4:00	0%
489 - Computer sciences - programmes not included in another training area	4:00		4:00	0%
521 - Metallurgy and metalworking	1:30		1:30	0%
Overall Total	**7,313:30**	**6,927:47**	**14,241:17**	

32

SOCIAL ACTION

In 2020, during the first quarter, it was possible to carry out planned activities such as the company's anniversary lunch on 7 March. This was the last group event we were able to hold where, in addition to celebrating our anniversary, we remembered all those who have been working at OLI for 25 years and who contribute with their dedication to making us the company we are.

In the remaining months of the year we still managed to carry out some activities, always bearing in mind the need to comply with the health rules in force.

Thus, we continued to give a gift on each person's birthday, to give a gift to new parents, to give a Christmas gift to employees' children, to give our traditional Christmas hamper, to give an annual gift to all employees and to offer roasted chestnuts on St. Martin's Day.

Taking into account the uncertainty experienced in April, the Board of Directors decided to anticipate the payment of the vacation allowance, thus allowing some relief in family budgets.

WE CONTINUED TO GIVE GIFTS

SAFETY AT WORK

OLI is exposed to various types of risk which have implications for its employees' health and safety. The company has a risk management policy in order to monitor, measure and manage its exposure to the risks that have been identified. Every year it helps is implement and outline the necessary control measures to minimise the risks.

OLI's risk assessment methodology continues to apply to all activities and/or services carried out within OLI premises. In 2020, we continued to carry out our hazard identification and risk assessment, focusing on all OLI sectors and also on the work that was carried out internally by service providers. Most of the risks we have identified continue to have a low degree of danger.

We have established an indicator regarding the level of risk, which is monitored annually and is part of the performance indicators of the integrated management system. In order to reduce the level of risk at OLI, we implemented improvement actions throughout the year, aimed both at improving work stations and in terms of informing and training people.

From the activities in the management programme, we should highlight the operational controls that were carried out on a number of pieces of equipment and situations, which have allowed us to guarantee the improvement of working conditions and control the prevention of accidents at work. Each control is planned and accompanied by immediate action, where necessary, in the control log itself. When the intervention of other departments is required to resolve the situation, these operational controls may be the origin of the opening of findings that are also duly monitored and followed up. There were 161 Safety Walks in 2020.

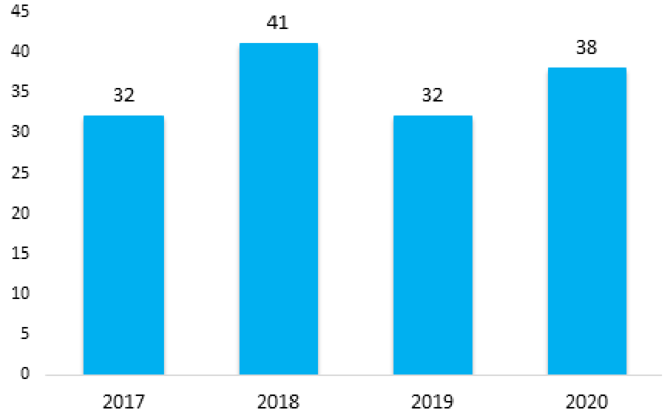
The statistical study of work-related accidents makes it possible to identify the problem areas requiring intervention and to set a number of preventive goals, most notably the following:
- Determining the magnitude of the problem (the extent and severity of occupational accidents) and changes in the distribution and incidence of occupational injuries;
- Identifying new risks;
- Identifying and prioritising the needs for preventive measures;
- Evaluating and monitoring the effectiveness of preventive measures;
- Estimating the consequences of occupational injuries.

According to the record of occupational accidents that occurred at OLI in 2020, we prepared an occupational accident analysis taking into account various parameters, namely the incidence, frequency and severity rates.

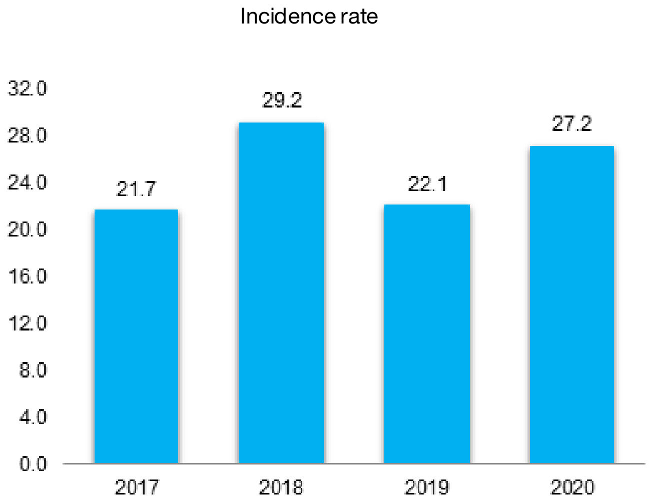
ACCIDENTS AT WORK

38 VS 32

2020 VS 2019



In terms of the single safety index, an indicator that translates the multiplication of 3 accident rates, the frequency rate, severity and costs of accidents at work, there was a 50% increase in this indicator compared to the previous year.



Lastly, we analysed the incidence rate. This indicator reflects the extent of the risk, i.e. the size of the affected population.
It represents the ratio between the total number of accidents and the average number of employees. We witnessed an increase of 25% in this indicator compared to the previous year.

The internal handling of occurrence reporting and investigation continues to improve. The occupational accident alert and the safety dialogues raise awareness among employees in a different way from the monthly statistics that are made available. This results in greater awareness and a greater number of near-miss reports.

For 2021, and in order to improve the prevention of the occurrence of occupational accidents, we will continue with the actions that are already in place and launch several prevention activities in the areas where a greater number of occupational accidents occur, namely in the internal logistics department.

OCCUPATIONAL HEALTH

OLI provides occupational medicine and nursing services. These services aim to prevent the occurrence of changes in health that are caused and/or aggravated by exercising a professional activity.

Occupational medicine performs the following examinations on our employees:
- Admission examinations: performed before the work begins or, if the urgency of the admission justifies it, within the following 15 days;
- Periodic examinations: performed annually for employees over the age of 50 and every 2 years for the remaining employees;
- Occasional examinations: performed whenever there are substantial changes in the material components of the work that could have harmful repercussions on the employee's health, as well as in the case of return to work after an absence of more than 30 days due to illness or accident;
- Nursing: support for occupational medicine and awareness raising/training.

In 2020, it performed 618 medical acts, 1% less than in the previous year.

61

medical acts
2020 VS 2019

OL

457

2020 VS 2019

62	Admission examinations
259	Periodic examinations
136	Occasional examinations

OLI - Temporary work

TW

16

medical acts -1%
2020 VS 2019

143	Admission examinations
0	Periodic examinations
18	Occasional examinations

7 - COMMUNITY

OLI is active and committed to developing social and economic progress in the community where it operates. Through the support we give to causes and institutions of the most vulnerable groups in society, we seek to positively influence the community.

DONATIONS

OLI's clearest support, directly or indirectly, is provided through donations to sports institutions such as SC Beira-Mar (football), Esgueira OLI Basket (basketball) and social action institutions.

Internally, OLI also raises awareness to mutual help. At the end of last year, it launched the 'Generosidade a Dobrar' (Double Your Generosity) solidarity campaign aimed at all employees, with very positive results. For every product that employees donated, OLI would also donate one.
With everyone's help, it was possible to donate more than 600 food and hygiene products to 'Florinhas do Vouga', an institution based in Aveiro.

Indicator	2020	2019	2020 VS 2019	
			Amo	%
Community				
Donations	89,909	86,777	3,132	3.6%

Faced with the atypical year of 2020, OLI acted responsibly in all areas, but with particular attention to the health sector. In April we started manufacturing face shields, of which 61,000 were offered to hospitals, health centres, institutions and nursing homes. At the end of the year, we donated three ventilators to the Baixo Vouga Hospital and also, as part of the Social Responsibility policy that we develop in order to value the community where we are integrated and where most of our employees and families live, we donated 10 laptops to the Esgueira School Group.

NATIONAL SUPPLIERS

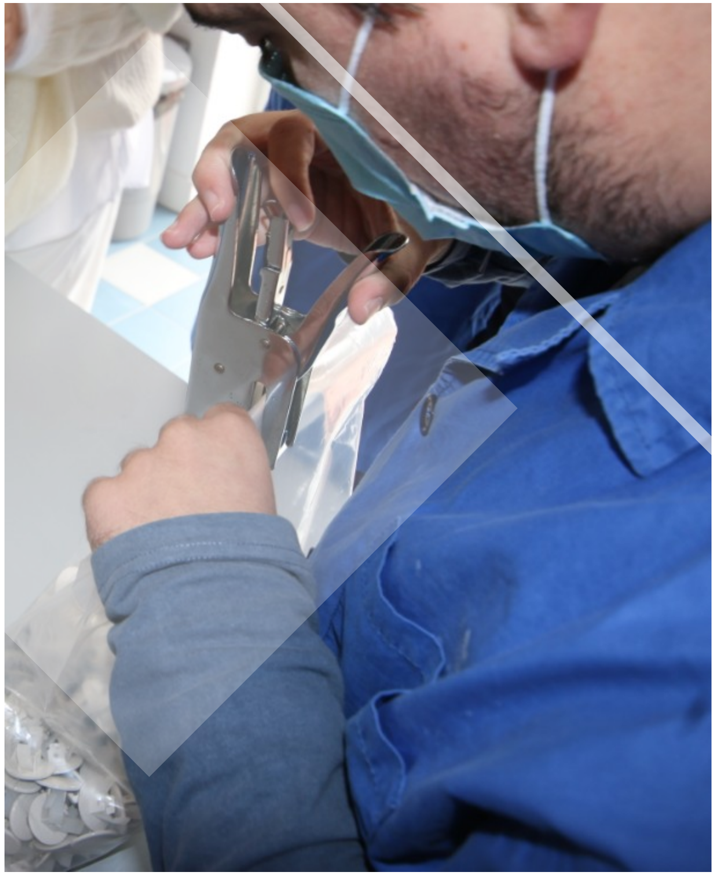
Most of our suppliers are Portuguese. From packaging to industrial automation, OLI gives preference to domestic production, and its supply chain consists of over 80% of Portuguese suppliers.

In addition to feeling that we play an active role in the pursuit of domestic production, choosing domestic suppliers adds value in terms of geographical proximity.

Indicator	2020	2019	2020 VS 2019	
			Amo	%
Community				
% national suppliers	81.5%	79.1%	2.4pp	3.0 %

SUPPLIERS FOR A MORE INCLUSIVE SOCIETY

In this collaboration, OLI welcomes users from the Cooperative for Education, Rehabilitation, Training and Inclusion of Aveiro - CERCIAV to work and do internships, in addition to subcontracting the assembly of cistern parts. Since the beginning of the year CERCIAV assembled 100,000 covers for the lateral water connection inlets of ceramic cisterns. The Portuguese Association of Parents and Friends of the Mentally Handicapped Citizen - Aveiro (APPACDM) is another institution with which OLI cooperates in the assembly process and which this year has already assembled about 2,000 bags of small key parts to complete the flush system.



Ilsa Catarina Costa (Logistics), who bridges the gap between OLI and the two social institutions, is categorical in her analysis of these partnerships:

'The only difference is that for them we send slightly simpler and more methodical assemblies. Otherwise, they are suppliers who respect the deadlines, pick up the goods at OLI and take care of all the bureaucracy in terms of transport documents. Upon arrival, the product is received by our colleagues from Logistics and sometimes analysed by Supplier Quality.'

COMMITMENT

At OLI, environmental preservation is regarded as a primary task and is integrated into our activities, from conception and design to the products' end of life. OLI regards sustainability and good ecological practices as a management strategy. It encourages its employees to develop good ecological practices and promotes the development of an internal culture and commitment to sustainability. A set of actions has been put into practice that contemplate the reduction of the consumption of natural resources, essentially energy.

In September 2019, OLI started producing solar photovoltaic energy as part of a strategic investment, with the aim of producing its own electricity through renewable and clean energy. So, a total of 2,800 photovoltaic panels were placed on the roof of the industrial complex, over a total area of 5,500 m2, representing an overall power of 1,000 Kwp (kilowatt peak).

One year after this investment, which sought to boost the company's sustainability and competitiveness, OLI achieved an annual saving on its energy bill of € 105,000, with photovoltaic energy accounting for 12% of the total energy consumed. Annual energy consumption stood at 8.3 GWh, a figure that reflects the intense industrial activity of the factory, which works uninterruptedly 24 hours a day, seven days a week.

Also committed to the ecosystem in which it operates, last year OLI started planting a green wall with 400 shrubs along the entire perimeter of the industrial complex. The aim is to reduce the carbon footprint, increase the quality of the community's environment and enhance its landscape surroundings.

OLI is committed to respecting the environment in the development of its activities, products and services, using practices and measures that ensure the prevention of pollution, the reduction of negative environmental impacts and the improvement of environmental performance, such as:

- Complying with applicable environmental legislation and standards;

- Developing and implementing new technologies that improve environmental performance;

- Identifying possible environmental impacts of the processes and continuously seeking to reduce negative impacts;

- Optimising the use of raw materials and energy, as a way of contributing to the conservation of natural resources;

- Reducing, reusing and promoting the recycling of the waste we generate;

- Raising our employees' awareness to the importance of sustainability in the environment.

The conservation of nature and the environment depends on our behaviour. Small daily gestures, when added together, reflect an important global effect, beneficial to the environment and to the quality of life of all human beings.

OLI, aware of its social and environmental responsibilities, has created a Guide to Good Practices, a set of recommendations applied to our daily lives, from simple water and energy-saving measures to the conscious use of the available natural resources. Most of these measures are also beneficial for the budget of each employee and their families.
With this Guide, OLI intended to promote a sense of responsibility, fostering environmental citizenship behaviours and attitudes.

In 2013, it also carried out an environmental liability study and assessment, which is still considered to be in force, which concluded that OLI's activity does not have the potential to cause significant environmental damage in light of the legal environmental liability framework.

OLI has been investing in studies that help to increasingly reduce its environmental impact. The last study was carried out in 2018 - Life Cycle Assessment of a Range of Indoor Flushing Cisterns - with the aim of quantifying the environmental performance of the indoor flushing range, and identifying the inventory elements with the greatest contribution to the different impact categories and, where possible, defining improvement measures.
In this regard, we developed a model for the complete Life Cycle of indoor flushing cisterns (cradle-to-grave), using average production data from the year 2017 and scenarios for the remaining stages.

OLI HAS BEEN INVESTING IN STUDIES THAT HELP TO INCREASINGLY REDUCE ITS ENVIRONMENTAL IMPACT.

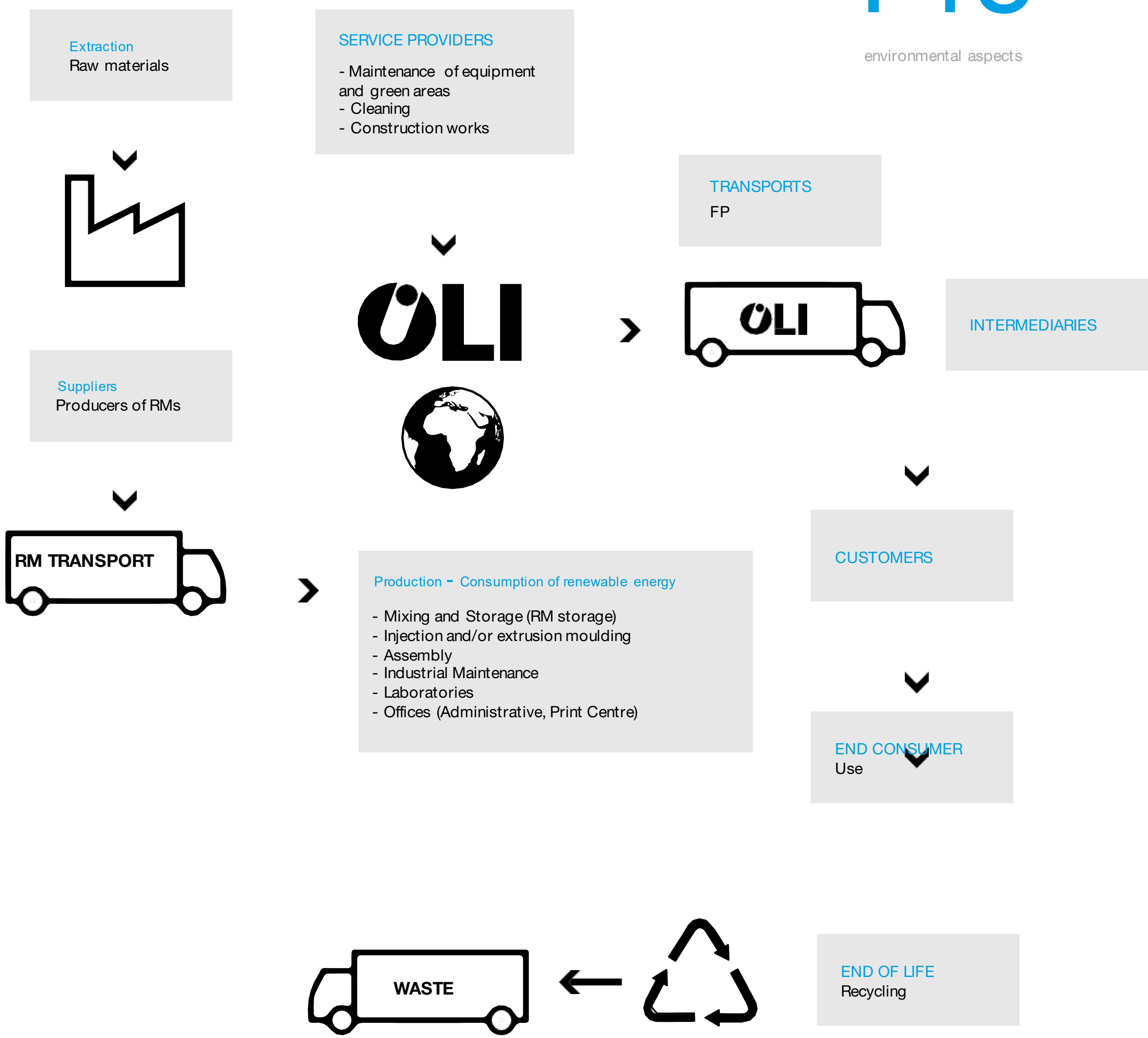
149

environmental aspects

IDENTIFICATION OF ENVIRONMENTAL ASPECTS

Our approach to environmental impact assessment involves identifying environmental aspects and assessing the impacts associated with the activities, products and/or services involved as part of the Management System.

Any employee may identify a new environmental aspect, taking into account the life cycle of activities, products and services, as well as their potential interactions with the environment. Of the 149 environmental aspects identified, 2 are significant and relate to the consumption of plastic granulate, pigments and electricity .



RECYCLED RAW MATERIAL CONSUMED

As the number of conscious consumers grows, OLI tends to pay more attention to the use of recycled raw materials. This importance given by the customer produces industrial changes enhancing the offer of flushing cisterns. The introduction of recycled raw materials into the production process represented a total of 435 tonnes. This is one of the differentiating factors that will support the company's sustained and competitive growth.

Item	2020	2019	2020 VS 2019	
			Amo	%
% Recycled raw material	8.0%	6.6%	1.4pp	21%

LIFE TESTING LABORATORY

The certification of all OLI products starts at the Life Testing Laboratory. All OLI products are tested for 200,000 cycles, the minimum requirement to be certified according to the most demanding and reputable international standards.

With six test benches, the laboratory is noted for having three benches for tests with sea water, rainwater and water with high levels of lime, putting us at the forefront when it comes to anticipating problems related to water scarcity in the future.

SUSTAINABLE WASTE MANAGEMENT

Socio-economic development and the increase in the quality of human life have led to an increase in consumption, which leads to a greater use of resources and the production of large quantities of waste. At OLI, waste management is carried out in accordance with the 7R policy:

7 Rs

- 1st R Rethink
- 2nd R Refuse
- 3rd R Reduce
- 4th R Repair
- 5th R Repurpose
- 6th R Recycle
- 7th R Reuse

Their proper management, both in terms of prevention and recovery, contributes to the preservation of natural resources. The role of employees is very important, both in reducing the production of waste and in sorting it in order to send it to an appropriate destination.

As part of this management, OLI continues to invest in improving production processes, with the main goals of reducing waste production whenever possible, increasing its rate of reuse and recovery, as well as its appropriate disposal.

A path towards ever stricter principles of rethinking, refusing, reducing, repairing, repurposing, recycling and reusing, ensuring a careful waste management and guaranteeing that waste is sent for recovery.

Indicator	2020	%	2019	%	Var. 20/19	
					Ton	%
Waste for Recycling	170.8	66%	160.4	63%	10.4	6.5%
Waste for Energy Recovery	42.7	16%	53	21%	-10.3	-19.4%
Waste for Treatment or Landfill	47.2	18%	40.5	16%	6.7	16.5%
	260.7	**100%**	**253.9**	**100%**	**6.8**	**2.7%**

There was a small increase of 2.7% in waste production compared to the previous year. Waste treatment costs have been increasing, 24% compared to the previous year.

In order to improve our performance in this area, these are some of the measures we have implemented:
- Creating specific areas for waste management;
- Sorting, temporarily storing and sending different types of waste to licensed operators;
- Reusing transport packaging;
- Employee training and awareness.

These actions are supplemented by an ongoing action plan, from which we highlight the following:

- Monitoring the quantities of all waste produced on a monthly basis
- Ensuring the safe and environmentally correct destination of the waste we produce (working with licensed companies);
- Reducing, reusing and promoting the recycling of the waste we generate;
- Continuing to improve the packaging of the waste we generate and its careful sorting;
- Carrying out integrated audits to detect anomalies in waste management;
- Recovering waste internally - an example is used paper that can be shredded and used as filling and packaging material for products that the company needs to package and ship, using base boxes of prototyping material as computer monitor stands;
- Monitoring other waste management operators with a view to lowering costs.

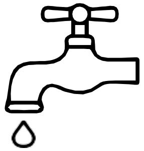
SUSTAINABLE WATER MANAGEMENT

Water is considered the most important resource for humanity. It is used in virtually all human activities and is indispensable for the survival of living beings. Water takes up 70% of the Earth's surface, but only 3% of it is fresh water. Of this, only a small portion is available for consumption. To ensure the sustainability of water resources, we are all required to have responsible behaviour, based on simple everyday gestures.

Reducing water consumption is one of OLI's permanent goals. It results from strict monitoring, implementing measures to combat waste, using more efficient equipment, raising employee awareness and dealing with accidental leaks. The consumption of mains water increased by 43%. As for the consumption of well and borehole water, there isn't a clear trend, as it has been increasing and decreasing over the years.

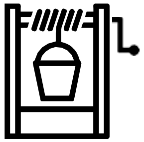
Indicator	2020	2019	Var. 20/19 m3	Var. 20/19 %
Specific water consumption				
(total consumption of mains water / total number of employees)	7.6	5.3	2.4	45%
Total consumption of mains water (m3)	3,649	2,560	1,089	43%
Total consumption of well water (m3)	1,433	1,646	-213	-13%
Total consumption of borehole water (m3)	12,516	15,266	-2,750	-18%
Total water consumption	**17,598**	**19,472**	**-1,873.782**	**-10%**

In order to improve our performance in this area, these are some of the measures we have implemented:
- Installing flow control equipment on taps and flow reducers at various points;
- Installing automatic irrigation systems for green areas;
- Using groundwater to irrigate green areas;
- Installing meters in the well and borehole that supply the irrigation of green areas;
- Employee training and awareness.



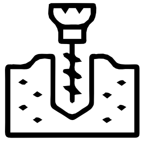
+43%

Mains water 2020 VS 2019



-13%

Well water 2020 VS 2019



-18%

Borehole water 2020 VS 2019

SUSTAINABLE FUEL MANAGEMENT

Transport is responsible for about one third of total greenhouse gas emissions. Increasing transport volumes have been putting growing pressure on the environment. It consumes natural resources, pollutes the air, intensifies the greenhouse effect and hinders mobility. The technological advances that have made it possible to reduce atmospheric pollution caused by vehicles have not been able to outstrip the growth in traffic. As a result, pollutant emissions have continued to rise.

Freight transport induces CO2 emissions, with negative effects on global warming. With regard to vehicles used for freight transport, transport companies should be required to use more advanced and technologically efficient vehicles. OLI has been taking this concern on board and continues to raise awareness to this matter among its carriers.

OLI monitors the fuel consumption of its fleet of light vehicles and has seen a 10% reduction in the specific consumption of diesel in the last year, going against the upward trend as seen in previous years.

EUR

Indicator	2020	2019	Var. 20/19	
			Amount	%
Total fuel consumption (l)	47,556	63,353	-15,797	-24.9%
No. Vehicles	33	32	1	3.1%
Total km travelled	884,583	1,060,773	-176,190	-16.6%
Specific diesel consumption	0.054	0.060	-0.006	-10.0%

-16.6%

Total km travelled
2020 VS 2019

SUSTAINABLE PACKAGING MANAGEMENT

In 2020, OLI, purchased over 1450 tonnes of paper and cardboard packaging, 120 tonnes of plastic and 1170 tonnes of wood. OLI is aware of the importance of product packaging, and intends to collaborate with its main suppliers in order to develop optimised packaging that takes into account more and more sustainable characteristics, namely reduced weight, recyclable and easy to dispose of, and with reduced use of natural resources. Novo Verde is the company responsible for managing OLI's packaging waste.

145

Tonnes of paper and cardboard packaging

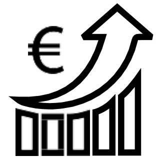
12

Tonnes of plastic

117

Tonnes of wood

(RUSSIA AND GERMANY) ARE EXPECTED TO ACHIEVE ECONOMIC BALANCE IN 2021.



The year 2021 began conditioned by the need for internal transformations in terms of production, order and customer portfolios.

One of our main businesses, the supply of components to Scandinavia, came (as we had announced in advance) to an end, and so we had to find alternative businesses and customers to offset this loss of turnover and adapt the means of production that we had been allocating to that business.

Everything is going according to plan, with results exceeding expectations and a forecast of solid and sustained growth in turnover, not only for 2021, but also for the coming years.

We can say that, in what depends on us, we are doing all that is necessary and in a way that we should consider adequate, foreseeing that this transformation will occur without economic and financial difficulties, and we are even trying to turn it into another opportunity for growth and for establishing new long-term partnerships with important international groups in our sector.

Also the development of various subsidiaries, especially the most recent ones (Russia and Germany) is expected to achieve economic balance in 2021.

Our main concerns are the global lack of coordination of supply chains, for a variety of reasons.

We struggle with an abnormal shortage and scarcity of the most varied raw materials and components, scarcity and difficulties in transportation, especially maritime and intercontinental transportation, and signs of permanence or intensification of this lack of coordination and ruptures.

Just when we thought that, by the end of 2020, we would enter relative normality and return to the pre-Covid business environment, we feel that the world continues to change very quickly and somewhat unpredictably.

In any case, our logical and rational forecasts, which are quite prudent, are for double-digit growth, although we know that, in order to achieve this, we will need to make a tremendous effort on several fronts.

IV. GOVERNANCE AND MANAGEMENT

1 - CORPORATE GOVERNANCE

SHAREHOLDER STRUCTURE

OLI - Sistemas Sanitários, SA is owned by the following shareholders:

Shareholders	
Oliveira & Irmão SGPS, Lda.	50%
Valsir, Spa.	50%

Oliveira & Irmão SGPS, Lda., a company incorporated under Portuguese law, represents the interests of the Oliveira family, which has owned the company since its founding. Valsir, Spa., a company incorporated under Italian law, belongs to the Silmar Group, Spa., also incorporated under Italian law, which is the holding company of the Niboli family.

These 2 shareholders have held a stable and equal stake in OLI for over 30 years and share the objectives of growth and sustainable development set for OLI and its subsidiaries.

In FY 2020, there were no transactions involving OLI shares.

BENEFICIAL OWNERS

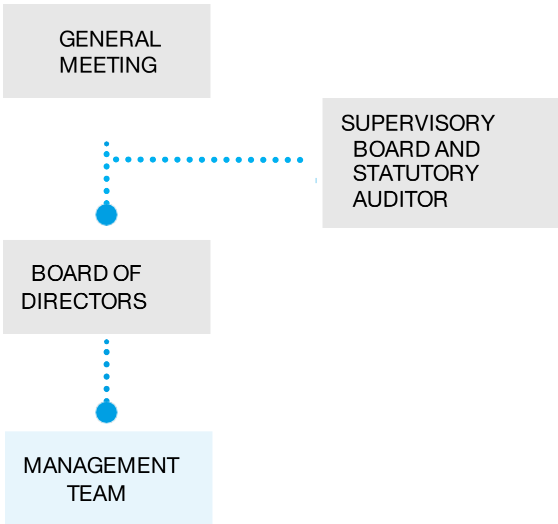
Given OLI's shareholder structure and given that no natural person directly or indirectly holds more than 25% of its share capital, its beneficial owners are the members of the Board of Directors.

Name	Position
António Manuel Moura de Oliveira	Chairman
António Ricardo Raposo Oliveira	Director
Rui Miguel Vieira de Oliveira	Director
Pier Andreino Niboli	Director
Federica Niboli	Director

THE BENEFICIAL OWNERS ARE THE MEMBERS OF THE BOARD OF DIRECTORS.

GOVERNING BODIES

As provided for in OLI's articles of association and in Article 278 of the Commercial Companies Code, the company has 3 corporate bodies: the General Meeting - deliberative body, the Board of Directors - executive body and the Supervisory Board - supervisory and control body.



These bodies are elected every 4 years and there are no term limitations.

GENERAL MEETING

In accordance with the provisions of OLI's articles of association, the General Meeting is responsible for electing the corporate bodies, from the chairman and secretaries of the board of the general meeting to the chairman and members of the board of directors, and the chairman and members of the supervisory board.

The board of the general meeting consists of the Chairman and 2 secretaries. In the current term of office, which runs from 2019-2022 the members of the board of the general meeting are as follows:

- António Maria Antas Teles Chairman

- Rui Alberto Moura de Oliveira 1st secretary

- Graça Maria Moura de Oliveira 2nd secretary

The articles of association establish that the general meeting meets ordinarily once a year, by 31 May of each year. At the ordinary meeting, the general meeting deliberates on the management report and accounts for the previous year, with the respective opinion of the supervisory board, deliberates on the proposed appropriation of profits, assesses the activity carried out by the company's board of directors and supervisory board. When applicable, it elects the members of its board and of the governing bodies, and may also deal with any matters of interest to the Company, provided that they are expressly indicated in the respective call notice.

The general meeting may also meet extraordinarily to deal with matters for which it is convened and which must be precisely indicated in the respective call notice. Extraordinary meetings may be called by any governing body or at the request of one or more shareholders.

THE GENERAL MEETING IS RESPONSIBLE FOR ELECTING THE GOVERNING BODIES

BOARD OF DIRECTORS

The Board of Directors is responsible for running the company's business; it consists of five members elected by the General Meeting for a period of four years, and may be re-elected one or more times.

According to the articles of association, the Board of Directors has, in particular, without prejudice to the responsibilities generally attributed to it by law, the power, on behalf of the company, to:
a) take out loans and other types of financing and carry out other credit operations that are not prohibited by law;
b) appoint proxies or attorneys-in-fact to perform certain acts or categories of acts, establishing the extent of the respective mandates;
c) execute and enforce the legal and statutory provisions and the resolutions of the General Meeting;
d) represent the company in and or to settle judicial or arbitration proceedings, engage in arbitration, undertake obligations, sign terms of liability, and, in general, deliberate on all matters that do not fall within the competence of other governing bodies;
e) powers to purchase, sell, by any means transfer, exchange or encumber any stake held in the share capital of other companies, negotiating as it deems fit, being represented, presenting proposals and voting on deliberations concerning the modification and amendment of the respective memorandum and articles of association, namely by subscribing to any increases that may be decided upon concerning the share capital of each of these companies;
f) powers to rent or lease movable or immovable property, purchase or sell movable and immovable property, rights, and by any means transfer, exchange or encumber such property or rights.

The Board of Directors meets in an ordinary session on a monthly basis and in an extraordinary session whenever convened by its chairman, or by the majority of its members and, in other cases, in accordance with the law. To be valid,the decisions of the Board of Directors, must be taken by a majority of the members present, with at least two members voting in favour. In the event of a tie, the chairman has a casting vote.The company is validly bound by the signature of a member of the Board of Directors or by the signature of a proxy representing the company under the terms and limits of the respective mandate.

The Board of Directors is currently composed of 5 people - the Chairman and 4 other members. In the current term of office, which runs from 2019-2022 the members of the board of directors are as follows:

In the current term of office there are also 2 attorneys-in-fact with specific powers appointed by the Board of Directors, namely to:
- One of them to take out loans and other types of financing, carry out credit operations and other transactions with financial institutions;
- The other one to hire and dismiss employees.

Name	Positio	Form of ownershi	No. of shares held indirectly	% held
António Manuel Moura de Oliveira	Chairman	Indirect	8,000	0.40%
António Ricardo Raposo Oliveira	Director	Indirect	246,000	12.30%
Rui Miguel Vieira de Oliveira	Director	Indirect	246,000	12.30%
Pier Andreino Niboli	Director	Indirect	180,000	9.00%
Federica Niboli	Director	Indirect	125,000	6.25%

THE BOARD OF DIRECTORS IS CURRENTLY COMPOSED OF 5 PEOPLE - THE CHAIRMAN AND 4 OTHER MEMBERS.

SUPERVISION IS THE RESPONSIBILITY OF THE SUPERVISORY BOARD AND A STATUTORY AUDITOR

SUPERVISORY BOARD AND STATUTORY AUDITOR

A supervisory board and a statutory auditor, elected by the general meeting for a period of four years, renewable one or more times, are responsible for supervising all corporate activities.

The supervisory board is responsible for:
a) Supervising the management of the company;
b) Ensuring compliance with the law and the articles of association;
c) Checking the compliance of the accounting books, records and supporting documents;
d) Checking, when deemed convenient and in the appropriate manner, the quantity of cash and stocks of any type of goods or assets belonging to the company or received by it as guarantee, deposit or otherwise;
e) Checking the accuracy of the accountability documents;
f) Checking whether the accounting policies and valuation criteria adopted by the company lead to a correct evaluation of its assets and results;
g) Preparing an annual report on its supervisory activities and issuing an opinion on the report, accounts and proposals presented by the board of directors;
h) Convening the general meeting, when the chairman of the respective board does not do so, and must do so;
i) Supervising the effectiveness of the risk management system, the internal control system
and the internal audit system, if any;
j) Receiving reports of irregularities presented by shareholders, company employees or others;
k) Contracting the provision of expert services to assist one or more of its members in the performance of their duties; the hiring and remuneration of experts shall take into account the importance of the matters entrusted to them and the economic situation of the company;
l) Complying with all other duties established in law or in the articles of association.

The supervisory board is currently composed of 3 people - the Chairman and 2 members. In the current term of office, which runs from 2019-2022, the members of the supervisory board are as follows:

- João Paulo Araújo Oliveira
Chairman

- Carlos Manuel Tavares Breda
Member

- José António Marques Pereira
Member

The statutory audit firm is Jorge Silva, Neto, Ribeiro e Pinho, SROC, Lda., currently represented by António Rodrigues Neto.

The members of the supervisory body do not hold any shares in the company.

2. CORPORATE MANAGEMENT

OLI has a traditional organisational structure, divided into 6 divisions, 19 departments and 2 sections. Our organisational culture is based on high levels of ethics, precision, innovation and continuous improvement. This attitude is transversal to the entire organisation and to the relationship with employees, customers, suppliers, financial backers and all stakeholders in general.

ORGANISATIONAL STRUCTURE

The company's organisation chart is divided into 6 divisions, functionally segregating the various departments. The divisions are listed below:

- Support Division concentrates most administrative departments;

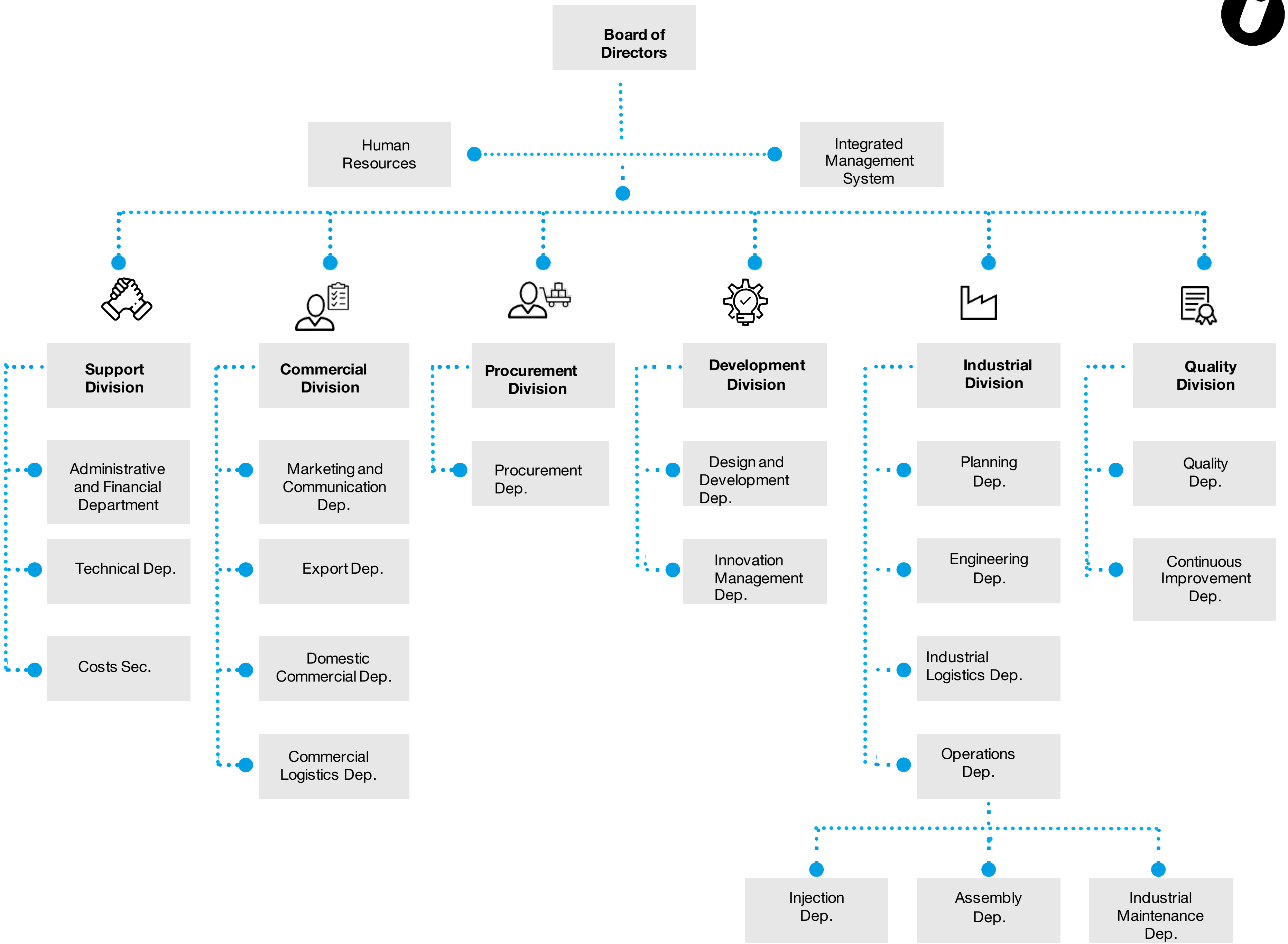
- Commercial Division includes all commercial marketing departments, including domestic logistics;

- Procurement Division includes the procurement department;

- Development Division includes the design and development and innovation departments;

- Industrial Division concentrates all departments of the productive area, namely planning, engineering, industrial logistics and operations;

- Quality Division includes the continuous improvement and industrial quality departments.


Board of Directors
Human Resources
Integrated Management System
Support Division
Administrative and Financial Department
Technical Dep.
Costs Sec.
Commercial Division
Marketing and Communication Dep.
Export Dep.
Domestic Commercial Dep.
Commercial Logistics Dep.
Procurement Division
Procurement Dep.
Development Division
Design and Development Dep.
Innovation Management Dep.
Industrial Division
Planning Dep.
Engineering Dep.
Industrial Logistics Dep.
Operations Dep.
Injection Dep.
Assembly Dep.
Industrial Maintenance Dep.
Quality Division
Quality Dep.
Continuous Improvement Dep.

ETHICAL MANAGEMENT

OLI's ethical principles govern a set of rules that must be observed by all employees in their relationships among themselves and with customers, suppliers and other stakeholders.

CUSTOMERS
All the activities carried out by our employees and the members of our Governing Bodies must be mainly focused on developing a relationship of empathy and trust, based on the best value proposal, in order to ensure customer satisfaction.

EMPLOYEES
OLI places a high value on the professional and personal development of its employees, promoting their continuous training as an element that fosters their best performance and motivation. Our selection, remuneration and professional advancement policies are guided by merit criteria and market benchmark practices.

OLI complies with the principles and values contained in national and international legislation on Human and Social Rights. Discriminatory behaviour based on gender, race, ethnicity, religious belief, party affiliation or any other reason is inadmissible, and equal opportunities are promoted, ensuring integrity and dignity in the workplace.

OLI condemns any acts in which compensation or benefits are offered or accepted to influence the behaviour of others in order to obtain advantages for oneself or for the company.

OLI provides a healthy, safe, pleasant work environment that promotes the well-being and productivity of employees.

SUPPLIERS
OLI selects its suppliers based on clear and impartial criteria, one of the criteria for their selection being compliance by the suppliers with standards of conduct which do not conflict with OLI's principles.

OLI acts loyally and in good faith in its relations with its business partners, establishing clear and objective communication with them, with a view to consolidating a long-term trusting relationship. OLI adopts procedures guided by principles of economic rationality and efficiency. Its business practice is transparent and fair, and no form of abuse and bribery, corruption or money laundering is tolerated.

COMMUNITY
OLI develops a policy of active Social Responsibility, contributing towards improving the Communities where its businesses are located, with a strong concern for the environment, economic and social well-being and the development of human knowledge.

It is understood that the existence of constant dialogue with the various entities that make up the community is crucial for the long-term success of the company's activities, as the existence of these communication channels makes it easier to identify the main aspects that need to be improved.
The company aims to contribute to consumer training and education, encouraging the adoption of healthier lifestyles and promoting Social Responsibility practices.

COMPETITION
OLI respects the legal rules and market criteria, promoting fair and healthy competition. Its relationship with its competitors follows the rules of cordiality and mutual respect.

ENVIRONMENT
OLI adopts and encourages the responsible use of natural resources and the conservation of the environment, namely by promoting eco-efficient management that minimises the environmental impacts resulting from the company's activity.

OLI ADOPTS AND ENCOURAGES THE RESPONSIBLE USE OF NATURAL RESOURCES AND THE PRESERVATION OF THE ENVIRONMENT

ENGAGEMENT WITH STAKEHOLDERS

OLI prioritises the adoption of benchmark practices and the continuous improvement of performance in the quest for operational excellence, a determining factor for its competitiveness and for creating value for all the audiences with which it relates.

Sustainable development drives its business strategy, throughout the value chain, developing ethical, honest and transparent relationships and sharing value with stakeholders.

As part of its policy of open and permanent communication in terms of governance, management and performance with all stakeholders, the company uses various channels of communication, consultation and dialogue.

Stakeholders	Communication channels
Shareholders	Regular meetings of the board of directors Monthly management control report
Suppliers	Regular follow-up meetings Annual contract renewal meetings Audits and visits Complaints management Supplier performance evaluation processes Declaration of good practices Service provision agreement
Customers	Customer audits (top 10) Visits to/from customers Complaints analysis Satisfaction assessment processes
Partners	Visits to/from partners Development of research projects
Regulatory authorities	Audits
Employees	Monthly Balanced Scorecard meetings Weekly and daily meetings, if necessary, with management Daily kaizen meetings Interdepartmental assessment Emotional framework Idea management system Development and performance evaluation
Competition	Monitoring of communication supports (websites, leaflets, catalogues, among others) Analysis at the point of sale
Distributors	Service evaluation meeting (price, quality and deadlines) Press
	Press releases Interviews Visits to the facilities Participation in conferences, forums and debates

V. CLOSING REMARKS

1 - PROPOSED PROFITS DISTRIBUTION

In accordance with the Commercial Companies Code, namely Article 66(f), and taking into account other legal requirements, as well as the intention to further consolidate its equity structure, we propose that the net profit of € 7,443,095.98 be distributed as follows:

Item	Amount
For Other reserves	€7,248,587.72
For Unallocated profits	€194,508.26

NET INCOME IN THE AMOUNT OF € 7,443,095.98

2 - PROPOSED PROFIT SHARING TO THE BOARD OF DIRECTORS

Based on the performance achieved in 2020, we hereby propose that the amount of € 455,147.08 be attributed to the three executive directors of the Board of Directors as profit sharing. Given the accounting rules in force, this value is already recorded under staff costs, so the Net Income already reflects this proposal.

3 - STATE-OWNED PUBLIC SECTOR

According to Article 210 of the Social Security and Welfare Contribution Code and Decree-Law no. 534/80, of 7 November, it should be noted that the company is in good standing in relation to entities of the state-owned public sector and that there are no other situations requiring mandatory mention in this report.

Certificates were issued proving our good standing with the Tax and Social Security Administrations, valid at the Balance Sheet closing date, on 31 December 2020.

4 - ACKNOWLEDGEMENTS

To all our customers, employees and suppliers, who worked and interacted with us throughout the year, we would like to thank the dedicated and diligent way in which they generally did so. We would like to thank the financial institutions for their support and the trust they continue to place in us.

We would like to thank the Governing Bodies, as well as the auditors and consultants, for their permanent support and availability, as their contribution is important, not only for achieving results, but also as part of ongoing changes and improvements.

Aveiro, 30 April, 2021

The Board of Directors,

António Manuel Moura de Oliveira

António Ricardo Raposo Oliveira

Rui Miguel Vieira de Oliveira

Pier Andreino Niboli

Federica Niboli

VI. FINANCIAL STATEMENTS - INDIVIDUAL ACCOUNTS

Individual balance sheet on 31.12.2020 and 31.12.2019

EUR

Items	Notes	Dates 31/12/2020	Dates 31/12/2019
ASSETS			
Non-Current Assets			
Tangible fixed assets	7;9;11;30	27,310,542	28,748,060
Investment properties	12;30	5,210,594	5,107,668
Intangible Assets	6	57,639	88,087
Financial holdings - equity method	3;5;13	18,086,959	12,191,096
Other Financial Investments	3;13	59,070	47,072
Deferred tax assets	20	511,501	174,661
		51,236,305	46,356,646
Current assets			
Inventories	3;14;22	5,646,472	6,140,255
Customers	22	12,883,685	12,570,568
State and other public entities	22	1,208,967	1,513,782
Other receivables	22	849,370	868,409
Deferrals	22	379,714	350,764
Non-current assets held for sale	3;8		239,935
Cash and bank deposits	4;22	2,880,897	1,938,276
		23,849,106	**23,621,989**
Total Assets		75,085,411	69,978,635

Certified Accountant

Board of Directors

EUR

Items	Notes	Dates 31/12/2020	Dates 31/12/2019
EQUITY			
Equity			
Subscribed Capital	22	10,000,000	10,000,000
Legal reserves	22	2,000,000	2,000,000
Other Reserves	21;22	9,494,104	8,741,616
Retained earnings	22	205,876	205,876
Revaluation surpluses	7;22	7,618,370	7,618,370
Adjustments / other changes in equity	22	13,124,789	8,360,168
Net income for the period	20;22	7,443,096	3,233,768
Total Equity		49,886,234	40,159,798
LIABILITIES			
Non-current liabilities			
Provisions	16	31,846	28,162
Financing received	9;10;22	10,283,117	10,672,276
Deferred tax liabilities	20	1,077,094	1,252,315
Other payables		363,648	203,975
		11,755,705	**12,156,728**
Current liabilities			
Suppliers	22	7,085,420	7,734,655
Advance payments from customers	22	15,721	20,036
State and other public entities	22	368,370	363,492
Financing received	9;10;22	2,231,559	5,821,155
Other payables	22	3,657,729	3,606,928
Deferrals	22	84,674	115,841
		13,443,472	**17,662,108**
Total Liabilities		25,199,177	29,818,836
Total equity and liabilities		75,085,411	69,978,635

Individual Income Statement by Nature for the periods ended 31.12.2020 and 31.12.2019

EUR

Income and Expenses		Notes	Periods 2020	2019
Sales and services provided	+	15;30	60,101,298	59,339,922
Operating subsidies	+	17	348,323	144,791
Income/losses related to subsidiaries, associated companies and joint ventures	+/-	3;13	940,995	203,716
Changes in production inventories	+/-	14;30	6,307	31,345
Cost of goods sold and materials consumed	-	14;30	-25,224,799	-26,081,389
External supplies and services	-	23;30	-11,117,683	-13,448,622
Staff costs	-	3;5;24;30	-13,423,395	-13,138,228
Inventory impairment (losses/reversals)	-/+	14;22	-117,156	144,183
Impairment on accounts receivable (losses/reversals)	-/+	22	-82,694	-20,278
Provisions (increases/reductions)	-/+	16	-31,846	-28,162
Impairment of non-depreciable/amortisable investments (losses/reversals)	-/+	13		-5,150
Other income	+	15;18;25;30	1,842,305	2,409,740
Other expenses	-	18;26	-1,170,107	-1,445,166
Income before depreciation, financing costs and taxes	=		**12,071,548**	**8,106,702**
Depreciation and amortisation expenses/reversals	-/+	6;7;12;28	-4,809,014	-4,550,471
Operating income (before financing costs and taxes)	=		**7,262,534**	**3,556,231**
Interest and similar costs	-	27	-244,388	-259,617
Income before taxes	=		**7,018,146**	**3,296,615**
Income tax for the period	-/+	20	424,950	-62,847
Net income for the period	=		**7,443,096**	**3,233,768**

Certified Accountant

Board of Directors

Individual Cash Flow Statement for the periods ended 31.12.2020 and 31.12.2019

EUR

Items	Periods 2020	Periods 2019
Cash flows from operating activities		
Receipts from customers	60,012,847	57,379,340
Payments to suppliers	-37,589,494	-38,727,437
Payments to staff	-13,233,845	-13,012,108
Cash generated by operations	**9,189,508**	**5,639,795**
Payment/receipt of income tax	263,455	-568,823
Other receipts/payments	542,209	-365,606
Cash flows from operating activities (1)	**9,995,172**	**4,705,366**
Cash flow from investment activities		
Payments concerning:		
Tangible fixed assets	-2,921,687	-3,984,683
Intangible Assets	-31,842	-27,144
Financial investments	-300,001	-845,150
Other assets	-112,538	-316,022
Receipts from:		
Tangible fixed assets	17,030	15,000
Financial investments	10,214	683,405
Other assets	3,000	341,194
Interest and similar income	1,995	1,159
Cash flows from financing activities (2)	**-3,058,610**	**-3,399,641**

EUR

Items	Periods 2020	Periods 2019
Cash flows from financing activities		
Receipts from:		
Financing Received	1,648	5,789,336
Payments concerning:		
Financing Received	-4,045,840	-5,465,818
Interest and similar costs	-249,748	-245,245
Dividends	-1,700,000	-850,000
Cash flows from financing activities (3)	**-5,993,940**	**-771,726**
Change in cash and cash equivalents (1+2+3)	942,622	533,999
Exchange rate effect		
Cash and cash equivalents at the beginning of the period	**1,938,276**	**1,404,277**
Cash and cash equivalents at the end of the period	**2,880,897**	**1,938,276**

Certified Accountant

Board of Directors

Individual Statement of Changes in Equity in FY 2020

EUR

Description	Notes	Equity attributed to the holders of the share capital of the parent company								Total Equity
		Paid-up capital	Legal reserves	Other reserves	Retained earnings	Revaluation surpluses	Adjustments / other changes in equity	Net income for the period	Total	
Position at the beginning of FY 2020	6	10,000,000	2,000,000	8,741,616	205,876	7,618,370	8,360,168	3,233,768	40,159,798	40,159,798
Changes in the Period										
First-time adoption of the new accounting standards										
Changes to accounting policies										
Exchange rate differences in the financial statements										
Realisation of the revaluation surplus										
Revaluation surpluses						-175,170			-175,170	**-175,170**
Deferred tax adjustments						175,170	-11,490		163,680	**163,680**
Other changes recognised in equity				1,752,488	700,000		4,776,111	-3,233,768	3,994,830	**3,994,830**
	7			**1,752,488**	**700,000**		**4,764,620**	**-3,233,768**	**3,983,340**	**3,983,340**
Net Profit for the Period	**8**							**7,443,096**	**7,443,096**	**7,443,096**
Comprehensive Income	**9=7+8**							**7,443,096**	**7,443,096**	**7,443,096**
Transactions with shareholders in the period										
Capital increases										
Realisations of share issue premiums										
Profit distribution				-1,000,000	-700,000				-1,700,000	**-1,700,000**
Increases for hedging losses										
Other operations										
	10			**-1,000,000**	**-700,000**				**-1,700,000**	**-1,700,000**
Position at the end of FY 2020	11=6+7+8+10	10,000,000	2,000,000	9,494,104	205,876	7,618,370	13,124,789	7,443,096	49,886,234	49,886,234

Individual Statement of Changes in Equity in FY 2019

Description	Notes	Equity attributed to the holders of the share capital of the parent company								Total Equity
		Paid-up capital	Legal reserves	Other reserves	Retained earnings	Revaluation surpluses	Adjustments / other changes in equity	Net income for the period	Total	
Position at the beginning of FY 2019	6	10,000,000	2,000,000	6,351,379	-3,574	7,618,370	7,470,517	4,308,599	37,745,290	37,745,290
Changes in the Period										
First-time adoption of the new accounting standards										
Changes to accounting policies										
Exchange rate differences in the financial statements										
Realisation of the revaluation surplus										
Revaluation surpluses						-175,173			-175,173	**-175,173**
Deferred tax adjustments						175,173	64,468		239,641	**239,641**
Other changes recognised in equity	18			2,390,237	1,059,450		825,184	-4,308,599	-33,728	**-33,728**
	7			**2,390,237**	**1,059,450**		**889,652**	**-4,308,599**	**30,740**	**30,740**
Net Profit for the Period	**8**							**3,233,768**	**3,233,768**	**3,233,768**
Comprehensive Income	**9=7+8**							**3,233,768**	**3,233,768**	**3,233,768**
Transactions with shareholders in the period										
Capital increases										
Realisations of share issue premiums										
Profit distribution					-850,000				-850,000	**-850,000**
Increases for hedging losses										
Other operations										
	10				**-850,000**					**-850,000**
Position at the end of FY 2019	11=6+7+8+10	10,000,000	2,000,000	8,741,616	205,876	7,618,370	8,360,168	3,233,768	40,159,798	40,159,798

Certified Accountant

Board of Directors

VII. NOTES TO THE FINANCIAL STATEMENTS - INDIVIDUAL ACCOUNTS

1. INFORMATION

1.1 - IDENTIFICATION OF THE ENTITY

Name:	OLI - Sistemas Sanitários, SA
Registered Office:	Travessa do Milão, Esgueira, 3800-314 Aveiro,
Portugal Taxpayer	Number:500 578 737
Activity:	CAE of the main activity 22230 - Manufacturing of Plastic Items for Construction

The main activity of this company is the manufacturing of plastic items for construction and the secondary activity is the wholesale of sanitary ware, hardware, piping for plumbing, motor pumps and electric pumps, taps, domestic appliances and heating material.

Its secondary activity also covers real estate development aimed at the design, construction, ownership, marketing, commercial development and management of various real estate assets.

1.2 - IDENTIFICATION OF THE END PARENT COMPANY

OLI - Sistemas Sanitários, SA is held as follows:

- 50% by the company Oliveira & Irmão, SGPS, Lda, with registered office at Travessa do Milão, Esgueira, Aveiro, Portugal;

- 50% by the company Valsir, SPA, with registered office at Localita Merlaro 2, Vestone, Italy.

1.3 - IDENTIFICATION OF THE INTERMEDIATE PARENT COMPANY

OLI - Sistemas Sanitários, SA, with registered office at Travessa do Milão, Esgueira, Aveiro, is an intermediate parent company by means of stakes in four subsidiaries.

Copies of the consolidated financial statements can be obtained at the company's registered office.

2.1 - ACCOUNTING FRAMEWORK ADOPTED

The attached Financial Statements were prepared under the provisions in force in Portugal, in accordance with Decree-Law 98/2015, of 02 June, and in accordance with the Conceptual Framework (CE), Accounting and Financial Reporting Standards (NCRF) and Interpretative Standards (NI) respectively contained in notices no. 8254/2015, 8256/2015 and 8258/2015, of 29 July, set out in the Accounting Standards System (SNC), while suppletively applying the International Accounting Standards (IAS) adopted in the European Union and the International Accounting Standards (IAS/IFRS) issued by the IASB and the respective Technical Interpretations (SIC/IFRIC).

2.2 - INDICATION AND COMMENT ON THE BALANCE SHEET ACCOUNTS WHOSE CONTENTS ARE NOT COMPARABLE WITH THOSE OF THE PREVIOUS FINANCIAL YEAR

As it was found that part of the balance of the item 'Other payables' has a maturity of more than one year, the Board decided to separate the value of the balance due up to one year from that due after one year. Consequently, the comparatives were adjusted.

2.3 - ONGOING CONCERN BASIS

The attached Financial Statements were prepared based on the principle of ongoing concern, from the books and accountancy records of the company, kept according to accountancy principles generally accepted in Portugal.

2.4 - ACCRUAL BASIS OF ACCOUNTING

The company records its income and expenses on an accrual basis, whereby income and expenses are recognised as and when generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses are recorded under Debtors and creditors by accruals and Deferrals.

2.5 - CLASSIFICATION OF NON CURRENT ASSETS AND LIABILITIES

Assets receivable and liabilities payable within more than one year from the date of the statement of financial position are classified, respectively, as non-current assets and liabilities. Additionally, due to their nature, "Deferred Taxes" and "Provisions" are classified as Non-Current Assets and Liabilities.

2.6 - FINANCIAL LIABILITIES

Financial liabilities are classified according to their contractual substance, regardless the legal form they take.

2.7 - COMPARABILITY

The accounting policies and measurement criteria adopted on 31 December 2020 are comparable to those used in preparing the Financial Statements on 31 December 2019.
In view of NCRF 10 – Borrowing Costs, the company capitalised interest of € 21,147.04, based on the criteria of the asset being in progress for a period exceeding 9 months and its value exceeding € 100,000.

2.8 - SUBSEQUENT EVENTS

Events occurring after the Balance Sheet date providing additional information about the conditions that existed at the time are reflected in the Financial Statements. If there are materially relevant events occurring after the Balance Sheet date, but that do not relate to conditions existing at that date, they are disclosed in the notes to the Financial Statements.

2.9 - DEROGATION OF THE PROVISIONS OF THE SNC

During the financial year to which these Financial Statements refer, there were no exceptional cases that would imply the derogation of any provision foreseen in the SNC.

3. MAIN ACCOUNTING POLICIES

3.1 - MEASUREMENT BASES USED TO PREPARE THE FINANCIAL STATEMENTS:

INTANGIBLE ASSETS (NCRF 6)

Intangible assets are recorded at their acquisition cost, net of depreciations and accumulated impairment losses. Intangible assets are only recognised if it is likely that they will result in future economic benefits for the entity,they are controllable and their cost can be reliably measured.

Development expenses are recognised whenever the entity demonstrates the ability to complete the respective development, begin to use it and when it is probable that the created asset will generate future economic benefits. Development expenditure that does not fulfil these criteria is recorded as an expense in the year in which it is incurred.
Research expenses are recognised as costs in the period in which they are incurred.

Amortisation is calculated after an asset is put into use and determined by the straight-line method according to its estimated useful life.

TANGIBLE FIXED ASSETS (NCRF 7)

Tangible fixed assets acquired up to 1 January 2010 (date of transition to NCRF) are recorded at acquisition cost or revalued acquisition cost, in accordance with generally accepted accounting principles in Portugal, net of depreciation and accumulated impairment losses.

After that date, all tangible fixed assets acquired are, with the exceptions mentioned below, recorded at acquisition cost, net of depreciation and accumulated impairment losses.
The buildings and land were revalued in 2011, by a third party, L2i - Investimentos Imobiliários, Lda., and in 2017, by a third party, CC Morais - Avaliação Imobiliária, Lda. This year, according to our knowledge of the market, they are up-to-date.

Depreciation is calculated after the date on which the goods are available for use by the straight-line method in accordance with the estimated lifetime for each group of goods.

The depreciation rates used correspond to the following estimated service lives:

Description	Estimated number of years of life
Commercial and Office Buildings	50
Industrial Buildings	20
Light Structures	10
Moulds	6
Machines	10
Assembly lines Tools and	10
utensils Transport	4
equipment Administrative	4
equipment	8

Maintenance and repair costs that neither increase the useful life nor result in significant benefits or improvements to the tangible fixed assets are recognised as costs in the year in which they occur.

Tangible fixed assets in progress are assets still in the construction stage and are recorded at the acquisition cost. These tangible fixed assets are depreciated as of the moment in which the underlying assets are available for use and meet the necessary conditions to operate as planned by management.

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are calculated as the difference between the sale price and the net book value, on the date of the sale or write-off. Said assets are recorded in the Profit-and-Loss Account, in items Other Income and Gains or Other Expenses and Losses.

NON-CURRENT ASSETS HELD FOR SALE (NCRF 8)

Non-current assets classified as held for sale are recorded at the lower of their book value and their fair value, minus the expected costs of the sale.

Whenever the amount for which the asset is recorded is greater than its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss, under item Impairment Losses.

The recoverable amount is the higher between the net selling price and the value in use. The net selling price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable entities, minus any expenses directly attributable to the sale. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

A reversal of an impairment loss recognised in prior years is recorded when it is determined that the impairment loss recognised no longer exists or has decreased. This analysis is performed whenever there are indications that the impairment loss that was previously recognised has been reversed. The reversal of impairment losses is recognised in the Income Statement. However, the impairment loss is reverted up to the amount that would be recognised (net of amortisation and depreciation) if the impairment loss had not been recorded in a prior period.

The assets recorded on 31 December 2019 under the item non-current assets held for sale were, in the current financial year, disposed of and/or transferred to the item tangible fixed assets, of the entity.

LEASES (NCRF 9)

Leasing contracts are classified as Financial Leases if they imply a substantial transfer of all risks and advantages inherent to ownership of the asset and as Operating Leases if they do not imply the substantial transfer of all risks and advantages inherent to their ownership.

The classification of leases as Financial or Operating depends on the substance of the transaction and not on the form of the contract.

Tangible fixed assets acquired through finance lease contracts, as well as the corresponding responsibilities, are accounted for using the financial method. Tangible fixed assets, the corresponding accumulated depreciation and debts pending liquidation are recognised according to the contractual financial plan. Additionally, interest included in the value of rents and depreciation of tangible fixed assets are recognised as expenses in the profit-and-loss statement for the year to which they refer.

In the case of operating leases, rents owed are recognised as an expense in the Income Statement on a straight-line basis over the lease period.

BORROWING COSTS (NCRF 10)

Borrowing costs are generally recorded as an expense for the period.

Interest paid on loans directly attributable to the acquisition or construction of assets is capitalised as part of the cost of those assets. With regard to the remaining loans, the amount of interest to be capitalised is determined by applying an average capitalisation rate on the value of investments made.
The Entity considers that an asset is eligible for capitalisation when it requires a substantial period of time to be available for use or sale.

The capitalisation rate used in 2020 was 1.57%. The entity's capitalisation policy is summed up as follows:
- The capitalisation of loan expenses begins when expenditure on the investment is being incurred, interest on loans is being borne, expenditures related to the asset have already been incurred and the activities necessary to prepare the asset to be available for use or sale are already underway;
- Capitalisation ends when all activities necessary to make the asset available for sale or for use are substantially completed;
- Other expenses directly attributable to the acquisition and construction of the assets, such as expenditure on materials consumed and staff costs, are also included in the cost of such assets;
- As a matter of practicality, capitalisation is only for interest on assets that take at least 9 months to construct and that reach a value exceeding € 100,000.

INVESTMENT PROPERTIES (NCRF 11)

Tangible fixed assets are classified as investment properties when held with the aim of capital appreciation and/or income generation.

Investment properties are initially valued at acquisition or production cost, including directly attributable transaction costs. After initial recognition, investment properties are valued at cost, net of accumulated depreciation and impairment losses.

Costs incurred with investment properties, such as maintenance, repairs and insurance, are recognised as expenses in the period to which they relate. If there are improvements, where there is expectation that these will generate future economic benefits beyond those initially expected, these are recognised in the Investment Properties item.

Periodically, the fair value of investment properties is determined, and this valuation is reflected in the measurement of assets.

The buildings and land were evaluated in 2017, by a third party, CC Morais - Avaliação Imobiliária, Lda. This year, according to our knowledge of the market, they are up-to-date.

The administration, in the current financial year, has tested the fair value at which the investment properties are recorded. This test was carried out by in-house technicians, using the income method, based on the maximum possible amount of observable market data. This method aims

to estimate the value of the property based on the capitalisation of its net income, updated to the present moment, through the discounted cash flows method
The duration of the lease agreements, the current rents, the location of the properties, the occupancy rate and the capitalisation/discount rate (between 6 and 8%) were taken into account.

In the sensitivity analysis carried out for the various scenarios, none showed material deviations from fair value.

IMPAIRMENT OF ASSETS (NCRF 12)

At the Balance Sheet date, an assessment is made of any objective evidence of impairment resulting, namely, in an adverse impact resulting from events or changes in circumstances indicating that the value at which the assets are recognised may not be recoverable.

Whenever the carrying amount of the asset is higher than the recoverable amount, an impairment is recognised in the profit-and-loss account, under item Impairment Losses.

The reversal of impairment losses, recognised in previous years, is recorded when there is evidence that such losses no longer exist or have decreased. Said losses are recognised in the profit-and-loss account, under item Reversal of Impairment Losses and are accounted up to the limit amount that would be recognised if the loss had been recorded.

Inventories, customers and other debtors were checked for impairment on the balance sheet date. It was found that there was objective evidence of impairment in inventories and customers. In the case of customers, in this financial year, there was an increase in impairment previously constituted due to lawsuits and age. For this reason, impairments of customers and inventories were recognised in the Profit-and-Loss Account.

Regarding Soplasnor, as a result of the liquidation and closure of this subsidiary, we used the accumulated impairment loss in the amount of € 5,615,150, related to a loan, made to this subsidiary, in the same amount.

INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION (NCRF 15)

Financial holdings are initially recognised at cost and subsequently adjusted using the Equity Method. Full consolidation is applied, as this is required for holdings and control in subsidiaries.

After subsidiaries are acquired, profits and losses are accounted in the profits or losses of the parent company against the financial investment value. After the balance sheet date, the profit or loss is transferred to reserves whenever it is not distributed. When the holding determined by the Equity Method is a loss that equals or exceeds the investment in the associated company, the parent company no longer recognises additional losses.

Gains and losses not obtained from transactions with associated companies are eliminated from the scope of consolidation.
Whenever necessary, the accounting policies of subsidiaries are altered to ensure consistency with the policies adopted by the Group.

At the end of the year, impairment tests are carried out on investees. These tests are performed in order to determine the recoverability of the investment, considering historical performance, as well as the business development expectations. The assessments are based on cash flow projections, which are, in turn, based on financial budgets approved by Management and discounted at the capital cost rate. Cash flows are extrapolated using estimated growth rates based on business development expectations.

INVENTORIES (NCRF 18)

Inventories are valued according to the following criteria:

- Commodities and raw materials, subsidiaries and consumables are valued at the lower between cost and net realisable value. Acquisition cost includes expenses incurred until storage, using the weighted average cost as the output costing method;

- Finished and semi-finished products, by-products and products and works in progress are valued at the lower between their production cost and their net realisable value. Production costs include the cost of the raw materials used, direct labour and overhead expenses.
The output cost is determined by the standard cost method.
In cases where the value of those goods is lower than the lowest of the average acquisition or production cost, an impairment cost is recorded for depreciation of inventories.

REVENUE (NCRF 20)

The company recognises revenue whenever it is reasonably measurable, when it will likely obtain future economic benefits. The amount of revenue is not considered reasonably measurable until all contingencies relating to a particular sale are substantially resolved. The company bases its estimates on historic results, taking into account the type of customer, the type of transaction and the specificity of each agreement.

Revenue comprises the fair value of the consideration received or receivable for services rendered, arising from the Company's normal business operation. Revenue is recognised net of Value Added Tax (VAT), rebates and discounts.

Revenue from the sale of goods is recognised when all the following conditions are met:
- All risks and benefits associated with the ownership of the goods are transferred to the purchaser;
- The entity does not maintain any control over the goods sold;
- The revenue amount can be reliably measured;
- Future economic benefits associated with the transactions are likely to flow to the entity;
- Costs incurred or to be incurred in the transaction can be reliably measured.

Revenue from services rendered is recognised, net of tax, at the fair value of the amount receivable.

Revenue from services rendered is recognised by reference to the stage of completion of the transaction at the reporting date, provided that all the following conditions are met:
- The amount of revenue can be reliably measured;
- Future economic benefits associated with the transaction are likely to flow to the Entity;

- Costs incurred or to be incurred in the transaction can be reliably measured;
- The transaction completion stage at the date of the report can be reliably measured.

Interest revenue is recognised using the effective interest method, provided it is likely that economic benefits will flow to the entity and its amount can be reliably measured.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (NCRF 21)

Provisions are recognised when, and only when, the Entity has a present obligation (legal or constructive) resulting from a past event, and it is likely that, to settle the obligation, an outflow of resources will occur and the amount of the obligation can be reasonably estimated.

Provisions are reviewed on each balance sheet date and are adjusted to reflect the best estimate on that date, taking into account the risks and uncertainties inherent in such estimates.

The amount recognised for provisions consists of the present value of the best estimate on the reporting date of the resources required to settle the obligation. The estimate is determined according to the risks and uncertainties associated with the obligation.

The company has set up a provision for customer guarantees, as its products have a claim term under warranty, so the entity has apresent obligation resulting from a past event, and it is likely that, to resolve this obligation, an outflow of resources will

occur. The obligation amount was calculated based on historic occurrences in the previous three years.

GOVERNMENT SUBSIDIES AND GOVERNMENT SUPPORT (NCRF 22)

Operating subsidies, namely to support job creation, are recognised in the profit-and-loss account, proportionally to the respective expenses incurred, thereby fulfilling the accrual concept of accounting.

Non-refundable investment subsidies to finance tangible assets are recorded in Equity and recognised in the Profit-and-Loss Account, proportionally to the depreciation of subsidised assets during their useful life.

We have a refundable interest-free loan in progress from the concession of financial incentives as part of the NSRF innovation incentive system, to which we applied for internationalisation and investment expenses.

EFFECTS OF CHANGES IN CURRENCY EXCHANGE RATES (NCRF 23)

The assets and liabilities in the financial statements of foreign entities are translated into Euro using historical exchange rates and those in force on the date of the statement of financial position, as applicable, and income and expenses, and cash flows are translated into Euro using the average exchange rate recorded in the financial year.

The exchange rates used to convert the subsidiaries' income statements into Euro were:

Currency	2020 Closing rate	2020 Average rate	2019 Closing rate	2019 Average rate
RUB -Ruble	91.4671	82.7248	69.9563	72.4553

On the closing date, the currency exchange rate is updated for outstanding balances (monetary items), applying the exchange rate in force on that date. Favourable and unfavourable exchange rate differences between the exchange rates in force on the date of transactions and those on the date of collections, payment or on the balance sheet date are recorded as income and/or expenses in the Profit-and-Loss Account for the year in the Exchange Rate Profits/Losses item.
Exchange rate differences arising from the translation into Euro of financial statements of subsidiaries denominated in foreign currencies are recognised in equity, under Other Changes in Equity.

INCOME TAX (NCRF 25)

The company is subject to Corporate Income Tax (IRC). When the taxable amount is established, amounts not accepted for tax purposes shall be added to and deducted from the accounting result. This difference between accounting and fiscal results can be of a temporary or permanent nature.

Regarding 2020, the company has deductions from taxable income relating to tax incentives in force for Corporate Income Tax (IRC), namely SIFIDE - System of Tax Incentives for Research.

The company records deferred taxes corresponding to temporary differences between the book value of assets and liabilities and the corresponding tax base, as established in NCRF 25 - deferred taxes.

The company records deferred tax assets related to State credits related to tax benefits that are not possible to deduct in the corresponding financial year and are carried forward to future years.

Deferred taxes are recognised as expense or income for the year, except if they result from amounts recorded directly under Equity, in which case deferred tax is also recorded under the same item and calculated using the tax rates in force.

Expenses in income tax for the year are determined by adding current and deferred taxes. Current income taxes are calculated based on the entity's taxable income according to tax regulations in force and deducted from tax benefits; the deferred tax results from the aforementioned situations.

Deferred tax assets are recognised only when there are reasonable expectations of obtaining sufficient future taxable profits for their use, or in situations where there are taxable temporary differences that offset temporary deductible differences in the period of their reversal.

At the end of each period, these deferred taxes are recalculated, and are reduced whenever their future use is no longer likely.

ENVIRONMENTAL MATTERS (NCRF 26)

The activity developed by the company may cause environmental damage, wherefore, under the terms of Article 22 of Decree-Law 147/2008, of 29 July, the company must set up one or more autonomous financial guarantees, alternative or complementary to each other, which allow it to take responsibility for any damage it may cause. The company opted to comply with these provisions through the allocation of a reserve not available in equity.

FINANCIAL INSTRUMENTS (NCRF 27)

Financial instruments are valued according to the following criteria:
- Trade and other receivables - trade and other receivables are initially recorded at fair value and subsequently at their nominal value, which corresponds to their cost, since they do not bear interest and the discount effect is considered immaterial.
At the end of each reporting period, customer and other third-party receivables are analysed to determine the existence of any objective evidence that they are not recoverable. If this is the case, the respective loss is immediately recognised as an impairment loss. Impairment losses are recorded following events that indicate, objectively and in a quantifiable manner, that all or part of the outstanding balance will not be received. To this end, the entity takes into account market information demonstrating that the customer has defaulted on its responsibilities and historic information showing that overdue balances have not been received;
- Trade and other payables - trade and other payables are initially recorded at fair value and subsequently at their nominal value, which corresponds to their cost, since they do not bear interest and the discount effect is considered immaterial;
- Loans – using one of the options of NCRF 27, loans are recorded under liabilities at their cost;
- Transactions and balances in foreign currency – transactions in foreign currency are recorded at the exchange rate of the transaction dates. On each reporting date, the carrying amounts of monetary items denominated in foreign currencies are updated at the exchange rates of that date. The carrying amounts of non-monetary items recorded in foreign currency at fair value are updated on the reporting date at the exchange rates in force on the dates on which the respective fair values were determined. Carrying amounts of non-monetary items recorded at historical cost denominated in foreign currency are not updated. Currency exchange differences arising from the aforementioned updates are recorded in the Profit-and-Loss Account for the year in which they were generated;
- Accrual basis – transactions are recognised in the accounts when they are generated, regardless of the moment when they were received or paid. Differences between amounts received and paid and the corresponding income and expenses are recorded in the items Other Accounts Receivable, Other Accounts Payable and Deferrals;
- Cash and Bank deposits - the amounts included under Cash and cash equivalents correspond to cash and bank deposits, both readily realisable and without loss of value;
- Financial Instruments held for trading – Financial assets and financial liabilities are classified as Held for Trading if they are primarily acquired or taken on for the purpose of sale or repurchase within a very short period of time or if they are part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence that actual profit has been recently obtained.
These assets and liabilities are recorded at fair value, and changes in fair value are recognised in the Income Statement.

EMPLOYEE BENEFITS (NCRF 28)

The entity's employees receive the following benefits:
- Short-term benefits: these include wages, salaries, social security contributions and gratifications. These benefits are accounted in the same time period in which the employee provided the service;
- Benefits for termination of employment: the entity recognises expenses related to work contract terminations, either by expiry of a term contract or by termination agreement.

3.2

- MAIN SOURCES OF UNCERTAINTIES IN ESTIMATES

Estimates are based on the best knowledge at any moment and on planned actions. These actions are periodically reviewed based on available information. Changes in facts and circumstances can lead to a revision of the estimates, so actual future results may differ from those estimates.

4. CASH FLOWS

The Cash and Bank Deposits item is broken down as follows:

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	Opening balance	Debits	Loans	Closing Balance
Cash	8,355	80,481	80,447	8,389
Demand deposits	1,929,920	103,655,030	102,712,443	2,872,508
Other bank deposits				
Total Cash and Bank Deposits	**1,938,276**	**103,735,511**	**102,792,889**	**2,880,897**

5. RELATED PARTIES

5.1 - RELATIONSHIPS WITH THE PARENT COMPANY:

Immediate parent company;
OLI - Sistemas Sanitários, SA (holds shares in four subsidiaries, as follows)

Ultimate controlling parent company:
Oliveira & Irmão, SGPS, Lda.

Ultimate controlling parent company:
Valsir, SPA

5.2 - REMUNERATION OF KEY MANAGEMENT STAFF

The following remunerations were paid to governing bodies (understood as key management staff) in the financial years ended 31 December 2020 and 2019:

REMUNERATION OF GOVERNING BODIES EUR

Descriptio	FY 2020	FY 2019
Board of Directors - OLI Sistemas Sanitários, SA	897,494	608,747
Total	**897,494**	**608,747**

5.3 - TRANSACTIONS WITH RELATED PARTIES

5.3.1 - NATURE OF THE RELATIONSHIP BETWEEN THE RELATED PARTIES

On 31 December, 2020 and 2019, the Entity held the following stakes in subsidiaries:

Subsidiaries	Registered Office	% Held	
		31/12/2020	31/12/2019
OLI, SRL	Località Piani di Mura 25070 Casto (BS) - Italy	99%	99%
OLI Moldes, LDA	Bairro Nossa Senhora das Necessidades, 3800-233 Aveiro - Portugal	83%	83%
Soplasnor - Soc Plásticos do Norte, SA	Rua das Poças, 4455-186 Lavra - Portugal		100%
Oli Sanitarsysteme GmbH	Bittelbronner Straße 42-46, 74219 Mockmuhl - Germany	100%	100%
OLI Rus OOO	Promyslennaya Str 11, 108841 Troitsk, Moscow - Russia	100%	100%

5.3.2 - TRANSACTIONS AND PENDING BALANCES

Transactions and pending balances between related parties were as follows

RELATED ENTITIES EUR

	Descriptio	FY 2020					FY 2019				
		Sales and Services	Purchases	Balances Receivable	Balances Payable	Loans in the Period	Sales and Services	Purchases	Balances Receivable	Balances Payable	Loans in the Period
Parent company	VALSIR, S.p.A.	768,046	1,630,494	255,772	625,401		713,864	1,327,923	173,951	271,586	
	Oliveira & Irmão , SGPS, Lda										
Total		**768,046**	**1,630,494**	**255,772**	**625,401**		**713,864**	**1,327,923**	**173,951**	**271,586**	
Subsidiaries	OLI, SRL	4,968,925	1,184,348	369,072	181,148		7,089,230	1,026,080	418,662	93,577	
	OLI Rus OOO	2,329,603	61,506	2,051,308	275		2,080,539		2,239,135		
	OLI Sanitairsysteme GmbH	1,500,520	3,181	562,086			1,187,028	1,536	528,305		
	OLI Moldes, Lda	36,450	1,485,084		262,225		12,890	1,849,997	2,397	966,879	
	Soplasnor - Soc. Plásticos do Norte, SA										5,150
Total		**8,835,497**	**2,734,118**	**2,982,465**	**443,648**		**10,369,688**	**2,877,613**	**3,188,498**	**1,060,456**	**5,150**

On 11 February 2020, OLI - Sistemas Sanitários, SA increased the share capital of OLI Sanitärsysteme, GmbH with registered office in Germany, by € 300,000.

On 15 December 2020, OLI Rus OOO, with registered office in Russia, increased its capital by € 976 199 through a debt conversion.

In December 2020, the subsidiary Soplasnor - Sociedade de Plásticos do Norte, SA was liquidated and closed.

6. INTANGIBLE ASSETS

Intangible assets were disclosed as follows:

CARRYING AMOUNT AND OPERATIONS IN INTANGIBLE FIXED ASSETS IN 2020 EUR

	Description	Development projects	Computer Programmes	Intangible assets in progress	Total
	With finite service life:				
4	Initial gross carrying amount	59,840	965,658	7,288	1,032,785
5	Initial accumulated amortisations	59,840	884,858		944,698
6	Initial accumulated impairment losses				
7	**Initial net carrying amount (7 = 4 - 5 – 6)**		**80,800**	**7,288**	**88,087**
8	**Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)**		**-23,161**	**-7,288**	**-30,448**
8.1	**Total additions**		**24,555**	**7,288**	**31,842**
Additions	First-hand acquisitions		24,555	7,288	31,842
8.2	**Total decreases**		**62,290**		**62,290**
Decreases	Amortisation		62,290		62,290
8.3	Reversals of impairment losses				
8.4	Transfers of IFA in progress		14,575	-14,575	
8.5	Transfers from/to non-current assets held for sale				
8.6	Other transfers				
9	**Final net carrying amount (9 = 7 + 8)**		**57,639**		**57,639**
	Service life	**3**	**3**		

CARRYING AMOUNT AND OPERATIONS IN INTANGIBLE FIXED ASSETS IN 2019 EUR

	Descriptio	Development projects	Computer Programmes	Intangible assets in progress	Total
	With finite service life:				
4	Initial gross carrying amount	59,840	945,802		1,005,642
5	Initial accumulated amortisations	59,840	731,259		791,099
6	Initial accumulated impairment losses				
7	Initial net carrying amount (7 = 4 - 5 – 6)		214,542		214,542
8	Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)		-133,742	7,288	-126,455
8.1	**Total additions**		**17,700**	**7,288**	**24,988**
Additions	First-hand acquisitions		17,700	7,288	24,988
8.2	**Total decreases**		**152,315**		**152,315**
Decreases	Amortisation		152,315		152,315
8.3	Reversals of impairment losses				
8.4	Transfers of IFA in progress		2,156		2,156
8.5	Transfers from/to non-current assets held for sale				
8.6	Other transfers		-1,283		-1,283
9	Final net carrying amount (9 = 7 + 8)		80,800	7,288	88,087
	Service life	**3**	**3**		

7. TANGIBLE FIXED ASSETS

7.1 - DISCLOSURES ON TANGIBLE FIXED ASSETS

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2020 EUR

	Description	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other TFA	TFA in progress	Advances backed by TFA	Total
1	Initial gross carrying amount	6,027,054	22,878,952	42,621,004	1,458,989	1,662,162	1,264,175	3,055,165	19,941	78,987,443
2	Initial accumulated depreciation		13,579,367	32,815,949	1,107,886	1,497,525	1,238,655			50,239,383
4	Initial net carrying amount (4 = 1 - 2 – 3)	6,027,054	9,299,585	9,805,055	351,103	164,637	25,521	3,055,165	19,941	28,748,060
5	Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)	69,287	-54,466	164,744	-85,485	176,570	5,796	-1,701,023	-12,939	-1,437,518
5.1	**Total additions**	**69,287**	**34,232**	**201,274**	**42,420**	**238,470**	**12,315**	**2,293,234**	**-12,939**	**2,878,293**
Additions	Acquisitions	69,287	34,232	201,274	42,420	238,470	12,315	2,293,234	-12,939	2,878,293
5.2	**Total decreases**		**1,550,671**	**2,665,067**	**127,905**	**91,063**	**6,520**			**4,441,227**
Decreases	Depreciations		1,550,671	2,662,539	127,905	90,773	6,520			4,438,408
	Write-offs			2,528		290				2,818
5.3	Reversals of impairment losses									
5.4	Transfers of TFA in progress		1,461,973	2,362,247		29,163		-3,994,787		124,886
5.5	Transfers from/to non-current assets held for sale			266,290						266,290
5.6	Other transfers							529		529
6	Final net carrying amount (6 = 4 + 5)	6,096,341	9,245,119	9,969,798	265,618	341,207	31,316	1,354,141	7,002	27,310,542
	Service life		**3;10;20;50**	**1;3;4;6;8;10**	**4;6**	**3;5;6;7;8;10**	**3;4**			

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2019 EUR

	Description	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other TFA	TFA in progress	Advances backed by TFA	Total
1	Initial gross carrying amount	5,999,979	22,323,099	39,804,304	1,333,013	1,623,468	1,237,931	3,372,668	31,566	75,726,027
2	Initial accumulated depreciation		12,133,955	30,404,749	1,008,794	1,433,781	1,237,931			46,219,209
4	**Initial net carrying amount (4 = 1 - 2 – 3)**	**5,999,979**	**10,189,144**	**9,399,555**	**324,218**	**189,687**		**3,372,668**	**31,566**	**29,506,818**
5	**Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)**	**27,075**	**-889,559**	**405,499**	**26,884**	**-25,050**	**25,521**	**-317,503**	**-11,625**	**-758,758**
5.1	**Total additions**	**27,075**	**1,165**	**160,788**	**160,130**	**40,059**		**3,300,742**	**-11,625**	**3,678,334**
Additions	Acquisitions	27,075	1,165	160,788	160,130	40,059		3,300,742	-11,625	3,678,334
5.2	**Total decreases**		**1,445,413**	**2,451,095**	**137,688**	**77,162**	**2,007**			**4,113,365**
Decreases	Depreciations		1,445,413	2,448,595	137,688	77,162	2,007			4,110,864
	Write-offs			2,500						2,500
5.3	Reversals of impairment losses									
5.4	Transfers of TFA in progress		554,688	2,695,807	4,451	12,053	27,528	-3,617,581		-323,054
5.5	Transfers from/to non-current assets held for sale									
5.6	Other transfers				-9			-664		-673
6	**Final net carrying amount (6 = 4 + 5)**	**6,027,054**	**9,299,585**	**9,805,055**	**351,103**	**164,637**	**25,521**	**3,055,165**	**19,941**	**28,748,060**
	Service life		**3;10;20;50**	**1;3;4;6;8;10**	**4;6**	**3;5;6;7;8;10**	**3;4**			

7.2 - DISCLOSURES ON REVALUATION SURPLUS FROM TANGIBLE FIXED ASSETS RECOGNISED BY REVALUED AMOUNTS

CARRYING AMOUNT AND OPERATIONS IN REVALUATION SURPLUSES IN 2020

EUR

Description	Legal Revaluation Reserves		Free Revaluation Reserves		Total
	Not Performed	Performed	Not Performed	Performed	
Value of the revaluation surplus at the beginning of the period	44,439	117,654	4,288,306	3,167,971	7,618,370
Depreciations	-13,095	13,095	-598,904	598,904	
Other					
Value of the revaluation surplus at the end of the period	**31,344**	**130,749**	**3,689,402**	**3,766,875**	**7,618,370**

CARRYING AMOUNT AND OPERATIONS IN REVALUATION SURPLUSES IN 2019

EUR

Description	Legal Revaluation Reserves		Free Revaluation Reserves		Total
	Not Performed	Performed	Not Performed	Performed	
Value of the revaluation surplus at the beginning of the period	57,560	104,533	4,887,210	2,569,067	7,618,370
Depreciations	-13,121	13,121	-598,904	598,904	
Other					
Value of the revaluation surplus at the end of the period	**44,439**	**117,654**	**4,288,306**	**3,167,971**	**7,618,370**

7.3 - TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2020 EUR

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net Amount
Soplasnor Building and adjacent land	BPI	4,500,000	5,284,446	954,624	4,329,823
		4,500,000	**5,284,446**	**954,624**	**4,329,823**

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2019 EUR

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net Amount
Soplasnor Building and adjacent land	BPI	4,500,000	5,170,653	742,682	4,427,971
		4,500,000	**5,170,653**	**742,682**	**4,427,971**

8. NON-CURRENT ASSETS HELD FOR SALE

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD

EUR

Description	Opening Balance	Purchases	Sales	Transfers	Closing Balance
Set of moulds for filling valves	14,268				14,268
Set of moulds for discharge valves	7,927				7,927
Set of computer equipment purchased for sale	1,255		1,255		
Set of moulds for floor siphons	2,114				2,114
Set of moulds purchased for sale	214,371	27,610			241,981
Total	**239,935**	**27,610**	**1,255**		**266,290**

9. LEASES

9.1 - LEASE AGREEMENTS

ASSETS FINANCED THROUGH FINANCIAL LEASE AGREEMENTS, RESPECTIVE AMOUNTS
NET CARRYING AMOUNT AND CONTINGENT RENTS RECOGNISED AS EXPENSE IN THE PERIOD

EUR

	Contract	Description	Lessor	Acquisition value	Lease term		2020 Net carrying amount	2019 Net carrying amount
					Start	End		
Tangible fixed assets	CT1660968700	VW Passat 13-SG-86	BPI	35,300	05/01/2017	05/01/2022		8,825
	CT1860320900	VW Golf 59-UP-34	BPI	24,990	07/05/2018	23/05/2023	7,810	14,057
	CT1762184600	VW Passat 87-TZ-70	BPI	34,990	09/01/2018	09/01/2023	8,747	17,495
	CT1863210000	BMW S5 99-VR-47	BPI	47,841	07/12/2018	17/12/2023	22,924	34,884
	CT1930226400	AUDI E-TRON 08-ZA-40	BPI	109,000	19/11/2019	19/11/2025	77,208	104,458
	CT2060020700	AUDI A3 SPORTBACK DIESEL 35-ZS-54	BPI	24,990	21/01/2020	21/01/2025	18,743	
	CT1861392700	GOLF VII DIESEL GP 52-US-01	BPI	14,500	22/09/2020	30/04/2023	13,292	
				291,611			**148,724**	**179,720**
	CT211832	BMW 4 - 36QR70	BSTOTTA	46,500	15/01/2016	15/01/2021		
				46,500				
Totals				**338,111**			**148,724**	**179,720**

9.2 - AMOUNTS RECOGNISED IN THESE ASSETS

FINANCIAL LEASES EUR

	Description	2020 Tangible fixed assets	2019 Tangible fixed assets
1	Final gross carrying amount	338,111	419,921
2	Accumulated Depreciation/Amortisations	189,388	240,202
3	Impairment losses and reversals		
4	**Final net carrying amount (4 = 1 - 2 - 3)**	**148,724**	**179,720**
5	**Future minimum lease payments at the balance sheet date:**		
5.1	Up to one year	61,776	66,733
5.2	One to five years	127,560	150,564
5.3	More than five years		
	Total (5 = 5.1 + 5.2 + 5.3)	**189,336**	**217,297**

LEASES OPERATIONAL EUR

	Description	2020	2019
5	**Future minimum lease payments at the balance sheet date:**		
5.1	Up to one year	24,188	22,945
5.2	One to five years	10,020	17,587
5.3	More than five years		
	Total (5 = 5.1 + 5.2 + 5.3)	**34,209**	**40,532**
	Amount of payments recognised as expenses for the period	**29,714**	**42,548**

10. BORROWING

10.1 - INFORMATION ON GENERAL LOANS

TYPE OF FINANCING EUR

Description	31/12/2020			31/12/2019		
	Current	Non-current	Total	Current	Non-current	Total
Credit cards	1,648		**1,648**			
Commercial Paper Programme	700,000		**700,000**	3,900,000		**3,900,000**
Medium- and Long-Term	1,431,273	9,330,141	**10,761,415**	1,854,422	9,686,181	**11,540,603**
Leasing	61,776	127,560	**189,336**	66,733	150,564	**217,297**
FEDER - Application no. 27024						
FEDER - Application no. 33547	36,861	825,416	**862,277**		835,532	**835,532**
Total	**2,231,559**	**10,283,117**	**12,514,676**	**5,821,155**	**10,672,276**	**16,493,431**

11. BORROWING COSTS

During this financial year, interest on loans directly attributable to the acquisition or construction of capitalised assets as part of the cost of such assets was as follows:

BORROWING COSTS IN 2020 EUR

Description	Start date of the work	Interest accrued	Interest rate applied
Tangible fixed assets		**21,147**	
Buildings and other structures	07/12/2017	2,793	1.57%
Buildings and other structures	31/12/2018	1,474	1.57%
Buildings and other structures	12/02/2019	1,866	1.57%
Buildings and other structures	01/03/2019	1,312	1.57%
Machines for specific uses	06/06/2017	1,560	1.57%
Machines for specific uses	02/10/2018	3,224	1.57%
Industrial facilities	26/01/2018	1,193	1.57%
Buildings in progress	01/09/2017	7,284	1.57%
Basic equipment in progress	26/06/2020	440	1.57%
Total		**21,147**	

BORROWING COSTS IN 2019 EUR

Description	Start date of the work	Interest accrued	Interest rate applied
Tangible fixed assets		**48,166**	
Buildings and other structures	21/05/2018	5,579	1.92%
Buildings and other structures	30/07/2018	1,165	1.92%
Machines for specific uses	30/01/2018	2,067	1.92%
Machines for specific uses	01/02/2018	2,267	1.92%
Machines for specific uses	02/10/2018	1,721	1.92%
Machines for specific uses	02/10/2018	3,155	1.92%
Moulds	30/07/2018	1,185	1.92%
Buildings in progress	01/09/2017	7,852	1.92%
Buildings in progress	07/12/2017	3,540	1.92%
Buildings in progress	21/12/2018	2,855	1.92%
Buildings in progress	12/02/2019	903	1.92%
Buildings in progress	01/03/2019	1,973	1.92%
Basic equipment in progress	06/06/2017	4,462	1.92%
Basic equipment in progress	26/01/2018	2,131	1.92%
Basic equipment in progress	30/05/2018	4,953	1.92%
Basic equipment in progress	02/10/2018	2,357	1.92%
Total		**48,166**	

12. INVESTMENT PROPERTIES

CARRYING AMOUNT AND OPERATIONS IN INVESTMENT PROPERTIES IN 2020 EUR

	Description	Land and natural resources	Buildings and other constructions	other investment properties	IP in progress	Total
1	Initial gross carrying amount	1,719,814	4,827,896			6,547,710
2	Initial accumulated depreciation		1,180,621			1,180,621
3	Initial accumulated impairment losses		259,420			259,420
4	**Initial net carrying amount (4 = 1 - 2 – 3)**	**1,719,814**	**3,387,854**			**5,107,668**
5	**Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)**	**74,362**	**28,564**			**102,926**
5.1	**Total additions**					
Additions	Acquisitions					
5.2	**Total decreases**		**308,315**			**308,315**
	Depreciations		308,315			308,315
	Impairment losses					
Decreases	Sales					
	Write-offs					
	Other					
5.3	Reversals of impairment losses					
5.4	Transfers of TFA in progress		113,793			113,793
5.5	Transfers from/to non-current assets held for sale					
5.6	Other transfers	74,362	223,085			297,447
6	**Final net carrying amount (6 = 4 + 5)**	**1,794,176**	**3,416,418**			**5,210,594**
	Service life		**3;11;29**			

CARRYING AMOUNT AND OPERATIONS IN INVESTMENT PROPERTIES IN 2019

EUR

	Description	Land and natural resources	Buildings and other constructions	other investment properties	IP in progress	Total
1	Initial gross carrying amount	1,719,814	4,518,239			6,238,053
2	Initial accumulated depreciation		893,330			893,330
4	Initial net carrying amount (4 = 1 - 2 – 3)	1,719,814	3,365,488			5,085,302
5	Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)		22,366			22,366
5.1	**Total additions**		**5,579**			**5,579**
Additions	Acquisitions		5,579			5,579
5.2	**Total decreases**		**287,291**			**287,291**
Decreases	Depreciations		287,291			287,291
	Impairment losses					
	Sales					
	Write-offs					
	Other					
5.3	Reversals of impairment losses					
5.4	Transfers of TFA in progress		304,078			304,078
5.5	Transfers from/to non-current assets held for sale					
5.6	Other transfers					
6	Final net carrying amount (6 = 4 + 5)	1,719,814	3,387,854			5,107,668
	Service life		**3;11;29**			

OTHER INFORMATION

EUR

Description	2020	2019	Total
Amounts recognised in profit-and-loss			
Rents and other income from investment properties	285,700	254,000	539,700
Direct operating expenses in properties generating income	34,719	37,750	72,469
Direct operating expenses in properties not generating income			
Total	250,981	216,250	467,231

13. FINANCIAL HOLDINGS

13.1 - INFORMATION ON FINANCIAL HOLDINGS

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND OTHER INVESTMENTS

FINANCIAL HOLDINGS IN 2020

EUR

	Description	Investments in subsidiaries	Other Financial Investments	Total
	Equity method:			
1	Initial gross carrying amount	12,191,096		12,191,096
2	Initial accumulated impairment losses	-5,615,150		-5,615,150
3	Effects arising from loans granted	5,615,150		5,615,150
4	**Initial net carrying amount (4 = 1 - 2 + 3)**	**12,191,096**		**12,191,096**
5	**Operations in the period: (5=5.1+5.2+5.3-5.4+5.5+5.6-5.7-5.8-5.9+5.10+5.11+5.12+5.13+5.14)**	**5,895,863**		**5,895,863**
5.1	Capital increases / acquisitions	1,276,199		1,276,199
5.3	Investor's share in the investee's profits	940,995		940,995
5.4	Profit distribution received from the investee	-275,220		-275,220
5.5	Changes in equity of the investee not recognised in profit or loss	4,591,984		4,591,984
5.6	Effects arising from loans granted	-5,615,150		-5,615,150
5.9	Impairment losses	5,615,150		5,615,150
5.14	Other operations in the period	-638,095		-638,095
6	**Final net carrying amount (6 = 4 + 5)**	**18,086,959**		**18,086,959**
	Other methods			
7	Initial gross carrying amount		47,072	47,072
10	**Initial net carrying amount (10 = 7 - 8 + 9)**		**47,072**	**47,072**
11	**Operations in the period: (11 = 11.1 + 11.2 + 11.3 + 11.4 + 11.5 + 11.6 + 11.7 + 11.8 + 11.9 + 11.10 + 11.11 + 11.12)**		**11,997**	**11,997**
11.2	Other acquisitions		11,997	11,997
12	**Final net carrying amount (12 = 10 + 11)**		**59,070**	**59,070**

FINANCIAL HOLDINGS IN 2019

EUR

	Description	Investments in subsidiaries	Other Financial Investments	Total
	Equity method:			
1	Initial gross carrying amount	11,671,395		11,671,395
2	Initial accumulated impairment losses	-5,610,000		-5,610,000
3	Effects arising from loans granted	6,190,586		6,190,586
4	**Initial net carrying amount (4 = 1 - 2 + 3)**	**12,251,980**		**12,251,980**
5	**Operations in the period: (5=5.1+5.2+5.3-5.4+5.5+5.6-5.7-5.8-5.9+5.10+5.11+5.12+5.13+5.14)**	**-60,884**		**-60,884**
5.1	Capital increases / acquisitions	1,100,000		1,100,000
5.3	Investor's share in the investee's profits	-85,408		-85,408
5.4	Profit distribution received from the investee	-732,600		-732,600
5.5	Changes in equity of the investee not recognised in profit or loss	-409		-409
5.9	Impairment losses	-5,150		-5,150
5.14	Other operations in the period	238,118		238,118
6	**Final net carrying amount (6 = 4 + 5)**	**12,191,096**		**12,191,096**
	Other methods			
7	Initial gross carrying amount		32,250	32,250
10	**Initial net carrying amount (10 = 7 - 8 + 9)**		**32,250**	**32,250**
11	**Operations in the period: (11 = 11.1 + 11.2 + 11.3 + 11.4 + 11.5 + 11.6 + 11.7 + 11.8 + 11.9 + 11.10 + 11.11 + 11.12)**		**14,822**	**14,822**
11.2	Other acquisitions		14,822	14,822
12	**Final net carrying amount (12 = 10 + 11)**		**47,072**	**47,072**

With the liquidation and closure of the subsidiary Soplasnor - Sociedade de Plásticos do Norte, SA, in this financial year, the accumulated impairment loss of € 5,615,150 was used to settle the loan granted to this subsidiary in the same amount.

On 11 February, 2020 OLI - Sistemas Sanitários, SA, carried out a new capital increase in the amount of € 300,000 in its subsidiary OLI Sanitärsysteme GmbH.

On 15 December, 2020, OLI Rus OOO, with registered office in Russia, increased its capital by € 976,199 through a debt conversion.

14. INVENTORIES

Inventories are broken down as follows:

EUR

Description	31/12/2020 Gross amount	31/12/2020 Impairment losses	31/12/2020 Net amount	31/12/2019 Gross amount	31/12/2019 Impairment losses	31/12/2019 Net amount
Goods	812,942	95,715	717,227	898,622	109,379	789,243
Raw, subsidiary and consumable materials	2,462,225	143,118	2,319,106	2,149,841	107,977	2,041,864
Finished and intermediate goods	2,940,365	330,226	2,610,139	3,543,696	234,548	3,309,148
By-products, waste and rejects						
Ongoing work and products						
Advance on account of purchases						
Total	**6,215,532**	**569,059**	**5,646,472**	**6,592,159**	**451,903**	**6,140,255**

The cost of goods and materials consumed is as follows:

EUR

Description	31/12/2020 Goods	31/12/2020 Raw, subsidiary and consumption materials	31/12/2020 Total	31/12/2019 Goods	31/12/2019 Raw, subsidiary and consumption materials	31/12/2019 Total
Initial inventories	898,622	2,149,841	**3,048,463**	1,002,093	2,292,278	**3,294,370**
Purchases	3,924,037	21,709,335	**25,633,372**	4,157,326	21,865,598	**26,022,924**
Reclassification and adjustment of inventories	152,264	29,605	**181,869**	141,938	45,505	**187,443**
Final inventories	812,942	2,462,225	**3,275,167**	898,622	2,149,841	**3,048,463**
Cost of goods sold and materials consumed (5=1+2+3-4)	**3,857,453**	**21,367,346**	**25,224,799**	**4,118,859**	**21,962,530**	**26,081,389**
Other information concerning raw, subsidiary and consumption materials:						
Accumulated inventory adjustments/impairment losses in the period	5,409	35,142	**40,551**	109,379	107,977	**217,356**
Reversal of inventory adjustments/impairment losses in the period	19,073		**19,073**	274,441	107,341	**381,782**
Accumulated adjustments/Impairment losses in inventories	95,715	143,118	**238,834**	109,379	107,977	**217,356**

Changes in production inventories were as follows:

EUR

Description	31/12/2020 Finished and intermediate products	By-products, waste and rejects	Ongoing work and products	31/12/2019 Products Finished and intermediate	By-products, waste and products rejects	Products and works in progress
Final inventories	2,940,365			3,543,696		
Reclassification and adjustment of inventories	609,638			412,819		
Initial inventories	3,543,696			3,925,169		
Changes in production inventories (4=1+2-3)	**6,307**			**31,345**		
Other information on finished and intermediate goods						
Accumulated inventory adjustments/impairment losses in the period	229,344			234,548		
Reversal of inventory adjustments/impairment losses in the period	133,665			214,304		
Accumulated adjustments/Impairment losses in inventories	330,226			234,548		

15. REVENUE

The following table breaks down revenue and other income:

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020	31/12/2019
Revenue recognised in the period:		
Sales and services provided	**60,101,298**	**59,339,922**
Goods sold	60,089,583	59,327,944
Services provided	11,714	11,978
Other Income		**3,881**
Interest earned		3,881
Total	**60,101,298**	**59,343,804**

16. PROVISIONS FOR THE YEAR AND CONTINGENT LIABILITIES

16.1 - PROVISIONS

Provisions for guarantees to customers were set up in the proportion between expenses arising from these guarantees actually incurred over the last three fiscal years and sales in the same period.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS EUR

Description		2020	2019
		Guarantees provided to customers	Guarantees provided to customers
1	Initial carrying amount	28,162	29,535
2	Operations in the period (2 = 2.1-2.2)	3,683	-1,372
2.1	**Total increases**	31,846	28,162
increases	Reinforcement	31,846	28,162
2.2	**Total decreases**	28,162	29,535
Decreases	Use	28,162	29,535
3	Carrying amount for the year (3 = 1 + 2)	31,846	28,162
	Final Carrying Amount	**31,846**	**28,162**

16.2 - CONTINGENT LIABILITIES

There are two lawsuits against OLI at the Judicial Court of the District of Aveiro.

In case 2037/19.7T8AVR OLI is accused of having occupied land owned by the plaintiff, who is requesting the return of the land and compensation, all totalling € 95,000. This land was purchased from a real estate company that will ultimately be sued by OLI to reimburse the amount that may have to be disbursed. Thus, we do not foresee any outflow of financial flows in this case.

In case 3788/20.9T8AVR OLI is accused of using a road that the plaintiff claims is private, asking for compensation in the amount of € 60,000. OLI has documents and authorisations issued by the competent services of the Municipality of Aveiro which state that the road in question is public domain.

Again, no outflow of financial flows is expected as a result of this case.

SUBSIDIES FROM THE STATE AND OTHER PUBLIC ENTITIES

EUR

	DESCRIPTION	2020		2019	
		Amount attributed in the period or in previous periods	Amount assigned to the period	Amount attributed in the period or in previous periods	Amount assigned to the period
1	**Subsidies related to assets/for investment: (1 = 1.1 + 1.2 + 1.3)**	1,620,631	79,058	1,423,640	298,047
1.1	**Tangible fixed assets: (1.1 = 1.1.1 + 1.1.2 + ... + 1.1.6)**	**1,620,631**	**79,058**	**1,423,640**	**298,047**
1.1.6	Other	1,620,631	79,058	1,423,640	298,047
1.2	**Intangible assets: (1.2 = 1.2.1+ 1.2.2 + ... + 1.2.4)**				
1.3	**Other assets**				
2	**Subsidies related to income/Investment subsidies**		348,323		144,791
3	**Value of repayments in the period related to: (3 = 3.1 + 3.2)**				
4	**TOTAL (4 = 1 + 2 - 3)**	**1,620,631**	**427,381**	**1,423,640**	**442,837**

The amount of subsidies granted by the state and other public entities concerns the internship and employment programmes and the Research & Development incentives system.

In 2020, the company did not receive subsidies from other entities (the increase compared to the previous year relates to the SIINOV 33547 'interest rate subsidy' and an estimate of the non-refundable part of the SIINOV 33547 subsidy).

18. EXCHANGE RATE DIFFERENCES

EFFECTS OF FOREIGN EXCHANGE RATE CHANGES EUR

Description	31/12/2020	31/12/2019
Exchange rate differences		
Recognised as income for the period:		
Unfavourable exchange rate differences	65,335	20,403
Favourable exchange rate differences	5,403	32,613

19. EVENTS AFTER THE BALANCE SHEET DATE

The financial statements for the year ended 31 December, 2020 were approved by management and authorised for issue on 30 April, 2021. However, these are still pending approval by the General Shareholders' Meeting, and the Board of Directors of the entity believes that they will be approved without amendments.
In FY 2020, the entity took advantage of the benefit of moratoria regarding the repayment of its borrowings.
In the early months of 2021, the Board of Directors informed the banks that it did not need to renew the moratoria and would resume repayment of the borrowings as planned.

20. INCOME TAX

20.1 - DISCLOSURE OF EXPENDITURE COMPONENTS (INCOME) OF TAXES

INCOME TAX CARRYING AMOUNT EUR

Description	31/12/2020	31/12/2019
1 Accounting profit-or-loss for the period (before taxes)	7,018,146	3,296,615
2 Current tax	-87,111	-205,256
3 Deferred tax	512,061	142,409
4 Income tax for the period (4 = 2 + 3)	**424,950**	**-62,847**
5 Autonomous taxation	57,953	146,884

DEDUCTIONS RELATED TO TAX BENEFITS EUR

Description	31/12/2020	31/12/2019
SIFIDE-System of Tax Incentives for Research and Business Development	31,675	800,000
RFAI – Investment Support Tax Benefit Scheme		55,172
Total	**31,675**	**855,172**

Note: The amounts of deductions from taxable income for 2019 were not those shown in the column '31/12/2019' in the table above.

In fact, when IRC form 22 was submitted, the amounts deducted were: SIFIDE € 691,953 and RFAI € 161,787, for a total amount of € 853,740. The SIFIDE value deducted from taxable income in 2020 refers to part of that reported in 2019. The SIFIDE value deducted from taxable income in 2019 refers to the total amount reported in 2018 and part of the estimated value calculated in 2019. The RFAI value deducted from taxable income in 2019 refers to the benefit calculated for 2019. The company records deferred tax assets amounting to € 511,501 related to impairment losses not accepted for tax purposes and to the reporting of the SIFIDE tax benefit.

It also records deferred tax liabilities of € 3,100 related to legal revaluations and € 1,073,994 related to free revaluations.

20.2 - RELATIONSHIP BETWEEN TAX EXPENSES (INCOME) AND ACCOUNTING PROFIT

EFFECTIVE TAX RATE, AVERAGE EUR

Description		Effects on the Income Statement 2020	2019
Earnings Before Taxes	1	7,018,146	3,296,615
Tax rate	2	21%	21%
Expected Tax for the Year	**3 = 1 x 2**	**1,473,811**	**692,289**
Permanent and temporary differences Differences not originating deferred tax assets	**4**	**-1,442,136**	**95,361**
Corrections regarding previous financial years		43,829	128,867
Cancellation of the effect of the equity method			528,884
Non-deductible provisions			5,150
Insufficient tax estimates		1,199	113,040
Undocumented expenditures		152	262
Charges not properly documented		2,896	1,466
Fines and other penalties		429	2,675
Taxes, fees and other levies on third parties that the taxable person is not legally authorised to bear		718	387
Non-deductible expenses related to the corporate bodies' share in the profits		352,470	120,434
Impairment losses on inventories and non-tax credits		366,122	516,866
Impairment losses on non-current assets and depreciation and amortisation not accepted as expenses		792,295	795,799
40% of the increase in the depreciation of TFA as a result of the tax revaluation		5,767	5,767
Bad credits not accepted as expenses		1,062	
Non-deductible social benefits		18,222	18,330
50% of the positive difference between tax gains and tax losses with intention to reinvest		8,515	7,500

EFFECTIVE TAX RATE, AVERAGE EUR

Description		Effects on the Income Statement	
		2020	2019
Donations not foreseen or beyond legal limits		25,607	81,692
Other increases			880
Cancellation of the effect of the equity method		-665,775	
Reversal of taxed impairment losses		-152,738	-616,087
Impairment losses taxed in previous tax periods		-49,652	-58,671
Overestimated taxes			-294,281
Accounting capital gains		-17,030	-15,000
Elimination of double taxation of profits and distributed reserves		-275,220	-732,600
Tax benefits		-142,302	-157,259
Other Deductions: loss in the result of sharing the liquidation of a subsidiary		-7,183,878	
Tax benefits (except DLRR and CFEI)	5	31,675	855,172
Settlement result	6	26,895	2,111
Deferred tax	7	512,061	142,409
State Surtax	8		67,522
Surtax	9	2,263	56,261
Autonomous Taxation	10	57,953	146,884
Total tax for the year	**11 = 3+4-5-6+7+8+9+10**	**-424,950**	**62,847**
Average Tax Rate		-6.06%	1.91%
Income Tax for the Year is broken down as follows:			
Current tax		-87,111	-205,256
Deferred Tax		512,061	142,409
		424,950	**-62,847**

In 2013, OLI - Sistemas Sanitários, SA set up a financial guarantee in the form of a reserve in equity that allows the company to assume the environmental responsibilities inherent to its activity, as required by Decree-Law 147/2008, of 20 July and subsequent amendments. This environmental liability reserve was constituted in the amount of € 100,000, transferred from Other Reserves.

22. FINANCIAL INSTRUMENTS

22.1 - DISCLOSURE OF THIRD-PARTY FIGURES

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020	31/12/2019
Customers	**12,883,685**	**12,570,568**
Current account	12,758,552	12,385,848
Receivables	114,035	169,327
Doubtful debts	706,004	633,840
Impairment	-694,905	-618,446
Advance Payments from Customers	**15,721**	**20,036**
Suppliers	**7,085,420**	**7,734,655**
Other payables	**4,021,377**	**3,810,903**
Staff	2,930	13,898
Investment suppliers	565,465	829,718
Creditors by accrued expenses – Interest	19,285	24,644
Creditors by accrued expenses – Insurance	9	36,703
Creditors by accrued expenses – End of month		1,338
Creditors by accrued expenses - bonus payable to the board of directors	659,122	456,579
Creditors by accrued expenses - end of contract compensation	51,142	46,524
Creditors by accrued expenses – Vacations and vacation pay	1,420,123	1,431,636
Creditors by accrued expenses – Commissions	79,305	65,072
Creditors by accrued expenses – Rappel	385,828	395,871
Creditors by accrued expenses – Points	312,042	206,711
Creditors by accrued expenses – Other	382,058	287,506
Other creditors	144,068	14,702
Other Receivables	**849,370**	**868,409**
Advance payments to suppliers	108,351	81,660
Staff	12,140	17,010
Debtors by accrued income – Interest		1,995
Debtors by accrued income – Subsidies	85,605	225,910
Debtors by accrued income – Other	236,341	166,990
Other Debtors	406,948	374,857
Accumulated impairment losses - Other debtors	-14	-14
Total	**24,855,574**	**25,004,571**

22.2 - STATE AND OTHER PUBLIC ENTITIES

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020 Current	31/12/2020 Non-current	31/12/2020 Total	31/12/2019 Current	31/12/2019 Non-current	31/12/2019 Total
State and Other Public Entities						
Assets						
Income Tax	725,067		725,067	1,076,831		1,076,831
Withheld income taxes						
Value-added tax	483,901		483,901	436,951		436,951
Total	**1,208,967**		**1,208,967**	**1,513,782**		**1,513,782**
Liabilities						
Income Tax						
Withheld income taxes	131,653		131,653	129,427		129,427
Value-added tax						
Other taxes	171		171	167		167
Social Security contributions	236,546		236,546	233,898		233,898
Total	**368,370**		**368,370**	**363,492**		**363,492**

22.3 - DEFERRALS

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020			31/12/2019		
	Current	Non-current	Total	Current	Non-current	Total
Deferrals						
Assets						
Expenses to be recognised – Interest	6,318		6,318	6,227		6,227
Expenses to be recognised – Insurance	11,089		11,089	54,147		54,147
Expenses to be recognised – Moulds owned by customer	129,350		129,350	35,661		35,661
Expenses to be recognised – Protection items	3,604		3,604	7,756		7,756
Expenses to be recognised – Marketing items	43,362		43,362	22,515		22,515
Expenses to be recognised – Gift items	467		467	467		467
Expenses to be recognised – Services in transit	53,392		53,392	52,559		52,559
Expenses to be recognised – Investments in transit	11,674		11,674	420		420
Expenses to be recognised – Other	120,458		120,458	171,012		171,012
Total	**379,714**		**379,714**	**350,764**		**350,764**
Liabilities						
Income to be recognised – Moulds	33,573		33,573	69,050		69,050
Income to be recognised – Other	51,101		51,101	46,792		46,792
Total	**84,674**		**84,674**	**115,841**		**115,841**

22.4 - FINANCIAL ASSETS AND LIABILITIES

INFORMATION CONCERNING FINANCIAL ASSETS AND LIABILITIES IN 2020 EUR

Description	Measured at amortised cost	Measured at cost	Accumulated impairment
Financial assets:			
Customers		12,883,685	694,905
Other receivables		849,370	14
Financial Liabilities:			
Suppliers		7,085,420	
Advance payments from customers		15,721	
Financing received	862,277	11,652,399	
Other payables		4,021,377	

INFORMATION CONCERNING FINANCIAL ASSETS AND LIABILITIES IN 2019 EUR

Description	Measured at amortised cost	Measured at cost	Accumulated impairment
Financial assets:			
Customers		12,570,568	618,446
Other Receivables		868,409	14
Financial Liabilities:			
Suppliers		7,734,655	
Advance Payments from Customers		20,036	
Financing Received	835,532	15,657,899	
Other payables		3,810,903	

22.5 - CASH

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020	31/12/2019
Cash and Bank Deposits		
Cash	8,389	8,355
Demand deposits	2,872,508	1,929,920
Other bank deposits		
Total	**2,880,897**	**1,938,276**

22.6 - FINANCING

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Descriptio	31/12/2020			31/12/2019		
	Current	Non-current	Total	Current	Non-current	Total
Financing Received						
Credit institutions and financial companies	2,194,698	9,457,702	**11,652,399**	5,821,155	9,836,744	**15,657,899**
Other financing entities	36,861	825,416	**862,277**		835,532	**835,532**
Total	**2,231,559**	**10,283,117**	**12,514,676**	**5,821,155**	**10,672,276**	**16,493,431**

22.7 - CAPITAL

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020	31/12/2019
Equity		
Subscribed Capital	10,000,000	10,000,000
Legal reserves	2,000,000	2,000,000
Other Reserves	9,494,104	8,741,616
Environmental responsibility reserve	100,000	100,000
Other Reserves	9,394,104	8,641,616
Retained Earnings	205,876	205,876
Revaluation surpluses	7,618,370	7,618,370
Adjustments/Other changes in equity	13,124,789	8,360,168
Net Profit for the Period	7,433,096	3,233,768
Total	**49,886,234**	**40,159,798**

22.8 - DISCLOSURE OF INFORMATION ON IMPAIRMENTS

IMPAIRMENT LOSSES IN CURRENT ASSETS IN 2020 EUR

Description	Impairment losses for the year	Reversals of impairment losses	Accumulated
Receivables from customers	82,694		694,905
Other receivables			14
Inventories - goods	5,409	19,073	95,715
Inventories – raw materials	35 142		143 118
Inventories – finished products	229,344	133,665	330,226
Total	**352,588**	**152,738**	**1,263,978**

IMPAIRMENT LOSSES IN CURRENT ASSETS IN 2019 EUR

Description	Impairment losses for the year	Reversals of impairment losses	Accumulated
Receivables from customers	40,264		618,446
Other receivables	14	20,000	14
Inventories - goods	109,379	274,441	109,379
Inventories – raw materials	107,977	107,341	107,977
Inventories – finished products	234,548	214,304	234,548
Total	**492,181**	**616,087**	**1,070,363**

22.9 - INFORMATION ON DOUBTFUL DEBTS

DEBTS RECORDED AS DOUBTFUL EUR

Description	2020	2019
Regarding companies undergoing processes of insolvency, recovery or enforcement		
Legally claimed	145,959	84,785
In arrears:	**560,044**	**549,054**
For more than 24 months	398,421	442,997
For more than eighteen months and up to twenty-four months	49,021	23,100
For more than twelve months and up to eighteen months	4,327	27,200
For more than six months and up to twelve months	22,252	52,863
Up to six months	86,023	2,894
Total	**706,004**	**633,840**

23 - DISCLOSURE OF INFORMATION ON EXTERNAL SUPPLIES AND SERVICES

EXTERNAL SUPPLIES AND SERVICES EUR

Description	31/12/2020	31/12/2019
Subcontracts	**2,250,038**	**2,160,861**
Specialised work	1,058,380	997,624
Advertising and publicity	402,938	1,100,331
Surveillance and security	98,086	87,411
Fees	42,475	40,437
Commissions	669,822	411,425
Maintenance and repairs	879,758	1,571,529
Others	431,564	354,846
Total specialised services	**3,583,023**	**4,563,602**
Fast-wear tools and utensils	112,600	180,713
Technical books and documents	2,037	1,322
Office supplies	10,661	14,398
Gift items	49,988	65,633
Others	47,994	51,436
Total materials	**223,279**	**313,502**
Electricity	702,560	992,938
Fuel	58,588	89,829
Water	25,595	18,999
Others	252	1,048
Total energy and fluids	**786,996**	**1,102,814**
Travels and accommodation	126,194	511,090
Transport of goods	3,419,506	3,374,633
Total transportation, travels and accommodation	**3,545,700**	**3,885,723**

EXTERNAL SUPPLIES AND SERVICES EUR

Description	31/12/2020	31/12/2019
Rents and leases	77,482	105,339
Communication	35,701	63,004
Insurance	273,986	286,597
Royalties		3,093
Legal services	3,245	7,783
Representation expenses	218,035	844,378
Cleaning, hygiene and comfort	112,114	97,188
Other services	8,084	14,739
Total miscellaneous services	**728,648**	**1,422,121**
Total external supplies and services	**11,117,683**	**13,448,622**

EMPLOYEES AND HOURS WORKED

Description	2020 Average number of employees	2020 Number of hours worked	2019 Average number of employees	2019 Number of hours worked
Persons employed by the company, paid and unpaid:				
Persons employed by the company, paid	430	735,227	423	742,411
Persons employed by the company, unpaid				
People working for the company by type of schedule:				
People working for the company full time	430	735,227	423	742,411
Of which: Remunerated employees working for the company full time	430	735,227	423	742,411
People working for the company part-time				
Of which: Remunerated employees working for the company full time				
People employed by the company, by gender:				
Men	208	371,203	203	368,855
Women	222	364,024	220	373,556
People employed by the company, of which:				
People allocated to research and development activities	21		21	
Service providers	20	7,660	26	9,960
People placed through temporary work agencies	71		78	

STAFF COSTS **EUR**

Description	31/12/2020	31/12/2019
Staff Costs	**13,423,395**	**13,138,228**
Remuneration of governing bodies	897,494	608,747
Of which: Profit sharing	475,147	212,104
Staff remuneration	8,722,052	8,757,441
Indemnities	276,961	68,155
Charges on remunerations	2,030,154	2,030,917
Insurance against work accidents and occupational diseases	81,242	78,800
Employee benefit costs	191,929	228,632
Other staff costs, of which:	1,223,563	1,365,537
Temporary workers	1,130,009	1,208,102
Training costs	58,057	115,445

25 - DISCLOSURE OF INFORMATION ON OTHER INCOME

OTHER INCOME — EUR

Description	31/12/2020	31/12/2019
Supplementary income	1,608,881	1,614,550
Cash payment discounts obtained	71,380	89,427
Debt recovery	2,349	5,087
Income and gains on other financial assets	6,099	33,020
Income and gains on non-financial investments	20,030	33,985
Other Income	133,566	629,790
Interest earned		3,881
Total other income	**1,842,305**	**2,409,740**

26 - DISCLOSURE OF INFORMATION ON OTHER EXPENSES

OTHER EXPENSES — EUR

Description	31/12/2020	31/12/2019
Taxes	82,752	71,709
Cash payment discounts granted	429,666	476,747
Bad debt	1,062	
Losses in inventories	243,699	311,735
Expenses and Losses on Other Financial Investments	1	
Expenses and Losses on Non-financial Investments	2,818	2,500
Other Expenses		
Corrections regarding previous financial years	43,829	128,867
Donations	89,908	86,777
Contributions	27,465	29,521
Gifts and samples in inventories and technical assistance	144,821	143,622
Underestimated taxes	1,199	113,040
Moulds owned and customer contributions	1,820	28,617
Unfavourable exchange rate differences	65,335	20,403
Commissions and other bank expenses	23,830	24,925
Others	11,901	6,703
Total other expenses	**1,170,107**	**1,445,166**

27 - DISCLOSURE OF INFORMATION ON INTEREST AND SIMILAR EXPENSES

INTEREST AND SIMILAR EXPENSES EUR

Description	31/12/2020	31/12/2019
Interest borne	244,388	259,617
Total interest and similar expenses	**244,388**	**259,617**

28 - DISCLOSURE OF INFORMATION ON DEPRECIATION EXPENSES

EXPENSES/REVERSAL OF DEPRECIATION AND AMORTISATION EUR

Description	31/12/2020	31/12/2019
Investment Properties	**308,315**	**287,291**
Buildings	308,315	287,291
Tangible fixed assets	**4,438,408**	**4,110,864**
Buildings	1,550,671	1,445,413
Basic equipment	2,662,539	2,448,595
Transportation equipment	127,905	137,688
Administrative equipment	90,773	77,162
Other tangible fixed assets	6,520	2,007
Intangible Assets	**62,290**	**152,315**
Development Projects	62,290	
Industrial property		
Computer Programmes		152,315
Total costs with depreciation and amortisation	**4,809,014**	**4,550,471**

29 - LEGALLY REQUIRED DISCLOSURES

According to Decree-Law no. 534/80 and Article 210 of CRCSPSS (Social Security and Welfare Contribution Code), it should be noted that the company is in good standing in relation to entities of the state's public sector and that there are no other situations requiring mandatory mention. Certificates were issued proving our good standing with the Tax and Social Security Administrations, valid at the Balance Sheet closing date, on 31 December 2020.

30 - OTHER LEGALLY REQUIRED DISCLOSURES

Ordinance 208/2007, of 16 February, creating the IES (simplified business information) requires the disclosure of the following information:

30.1 - DISCLOSURE BY BUSINESS

INFORMATION BY BUSINESS 2020 EUR

Description	CAE - 22230	CAE - 46740	CAE - 41100	Total
Sales	**54,973,069**	**5,116,514**		**60,089,583**
Goods		5,116,514		5,116,514
Finished and intermediate goods	54,973,069			54,973,069
Services rendered		**11,714**		**11,714**
Purchases	**21,709,335**	**3,924,037**		**25,633,372**
External supplies and services	**10,153,868**	**902,857**	**60,958**	**11,117,683**
Cost of goods sold and materials consumed	**21,367,346**	**3,857,453**		**25,224,799**
Goods		3,857,453		3,857,453
Raw, subsidiary and consumable materials	21,367,346			21,367,346
Changes in Production Inventories	**-6,307**			**-6,307**
Average number of persons employed	348	82		430
Staff Costs	**11,694,713**	**1,728,682**		**13,423,395**
Payments to staff	8,537,262	1,359,245		9,896,507
Other (including pensions)	3,157,452	369,436		3,526,888
Tangible fixed assets				
Final net carrying amount	22,925,673	4,326,063	58,806	27,310,542
Total acquisitions	2,719,115	45,384	113,793	2,878,293
Of which: on buildings and other constructions	33,806	426		34,232
Additions in the current assets period	2,171,646	7,795	113,793	2,293,234
Investment properties				
Final net carrying amount			5,210,594	5,210,594

INFORMATION BY BUSINESS 2019 EUR

Description	CAE - 22230	CAE - 46740	CAE - 41100	Total
Sales	**53,936,741**	**5,391,203**		**59,327,944**
Goods		5,391,203		5,391,203
Finished and intermediate goods	53,936,741			53,936,741
Services rendered		**11,978**		**11,978**
Purchases	**21,865,598**	**4,157,326**		**26,022,924**
External supplies and services	**11,853,010**	**1,422,161**	**173,452**	**13,448,622**
Cost of goods sold and materials consumed	**21,962,530**	**4,118,859**		**26,081,389**
Goods		4,118,859		4,118,859
Raw, subsidiary and consumable materials	21,962,530			21,962,530
Changes in Production Inventories	**-31,345**			**-31,345**
Average number of persons employed	338	84		422
Staff Costs	**11,369,070**	**1,769,158**		**13,138,228**
Payments to staff	8,061,243	1,373,100		9,434,343
Other (including pensions)	3,307,827	396,058		3,703,885
Tangible fixed assets				
Final net carrying amount	24,331,252	4,351,286	65,522	28,748,060
Total acquisitions	3,576,418	42,192	59,724	3,678,334
Of which: on buildings and other constructions	1,165			1,165
Additions in the current assets period	3,235,784	5,234	59,724	3,300,742
Investment properties				
Final net carrying amount			5,107,668	5,107,668

30.2 - DISCLOSURE BY GEOGRAPHIC MARKET

INFORMATION BY GEOGRAPHIC MARKET FOR 2020 EUR

Description	Internal	European Union	Outside the EU	Total
Sales	13,400,602	35,651,748	11,037,233	60,089,583
Services rendered	11,714			11,714
Purchases	13,446,480	11,250,157	936,734	25,633,372
External supplies and services	7,729,911	3,153,360	234,411	11,117,683
Acquisitions of tangible fixed assets	2,760,721	67,573	50,000	2,878,293
Acquisitions of intangible assets	31,842			31,842
Other supplementary income	390,132	1,118,976	99,774	1,608,881

INFORMATION BY GEOGRAPHIC MARKET FOR 2019 EUR

Description	Internal	European Union	Outside the EU	Total
Sales	13,582,652	35,186,616	10,558,676	59,327,944
Services rendered	11,978			11,978
Purchases	13,408,918	11,311,795	1,302,211	26,022,924
External supplies and services	9,931,782	3,368,170	148,669	13,448,622
Acquisitions of tangible fixed assets	3,224,924	453,410		3,678,334
Acquisitions of intangible assets	24,988			24,988
Other supplementary income	447,269	1,015,268	152,013	1,614,550

30.3 - DISCLOSURE OF THE STATUTORY AUDITOR'S FEES

Article 66-A of the Commercial Companies
Code requires the disclosure of the services rendered by the Statutory Auditor.

FEES BILLED EUR

	2020	2019
Statutory Audit	12,000	12,000
Totals	**12,000**	**12,000**

30.4 - CHANGES IN THE PERIOD

In accordance with the provisions of the Commercial Companies Code, considering that the net profit for the year is € 7,443,095.98, we propose the following appropriation of net profit:

For Other reserves	€ 7,248,587.72
For Unallocated Profits	€ 194,508.26

31. INFORMATION ON GUARANTEES PROVIDED

BANK GUARANTEES EUR

Guaranteed Provided	Beneficiary	Amount
Caixa Geral de Depósitos	APCMC	16,000

The company granted several guarantees to its subsidiary OLI Moldes Lda. for a total amount of € 3,500,000, relating to several short-, medium- and long-term bank loans taken out with various credit institutions, the last one ending on 18/12/2028.

Certified Accountant Board of Directors

APPENDIX

According with the Portuguese Code of Commercial Companies, Article 447
we declare the following owner of more than one third of the Company's Capital:

Shareholders	
Oliveira & Irmão SGPS, Lda.	50%
Valsir, Spa.	50%

The members of the corporate bodies do not own, directly, any shares of OLI – Sistemas Sanitários, SA.. Indirectly, through the above mentioned shareholding companies, they own a number of company share, according with the following chart:

Name	Function	Form of ownership	Number of Share	% Shares
António Manuel Moura de Oliveira	President	Indirect	8000	0.40%
António Ricardo Raposo Oliveira	Administrator	Indirect	246 000	12.30%
Rui Miguel Vieira de Oliveira	Administrator	Indirect	246 000	12.30%
Pier Andreino Niboli	Administrator	Indirect	180 000	9.00%
Frederica Niboli	Administrator	Indirect	125 000	6.25%

During the year, there were no transactions in OLI shares. The members of the supervisory body do not hold any shares.

VIII. REPORT AND OPINION OF THE SUPERVISORY BOARD - INDIVIDUAL ACCOUNTS

Dear Shareholders,

In accordance with the law, the articles of association and our mandate, we hereby submit our Report on the supervisory activity that was carried out and our Opinion on the Management Report and the individual Financial Statements presented by the Board of Directors of OLI - Sistemas Sanitários, S A, for the year ended 31 December, 2020.

REPORT

Throughout the fiscal year, we have monitored the activities of the Company with the regularity and to the extent deemed appropriate,

having received all the necessary support and clarifications from the Board of Directors.

2. As part of our responsibilities, we verified that:
2.1 The individual financial statements were prepared based on organised accounting, in accordance with the legal provisions in force in Portugal.
2.2 The accounting policies and valuation criteria adopted are appropriate to the circumstances, are in accordance with the accounting standards in force in our country and are explained in the Notes.
2.3 The Management Report, prepared in accordance with the Companies Code and all other applicable legislation, is sufficiently clear and highlights the most significant aspects.
2.4 The proposed distribution of profits is duly justified.
3. The terms of the Statutory Audit issued by the Audit Firm were considered and, deserving our agreement, are regarded as an integral part of this report.

OPINION

4. In view of the above, taking into consideration that the accounts, the individual financial statements and the Management Report, together with

the unmodified Statutory Audit satisfy the legal and statutory

provisions, reflecting the company's financial position and results for the year, and not having become aware of any violation of the law and the articles of association, we are of the opinion that the Annual General Meeting of the Company should:
a) Approve the Management Report and the Individual Financial Statements submitted by the Board of Directors concerning FY 2020;
b) Approve the profit distribution proposal contained in said report;
c) Conduct a general assessment of the Company's Governing and Audit Bodies.

Aveiro, 30 April, 2021

The Supervisory Board

João Paulo Araújo Oliveira - Chairman

Carlos Manuel Tavares Breda – Member

José António Marques Pereira – Member

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.
Sociedade de Revisores Oficiais de Contas

STATUTORY AUDITOR'S REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Oli – Sistemas Sanitários, S.A**. (the Entity), which comprise the balance sheet as at 31 December 2020 (showing a total of 75.085.411 euros and a total net equity of 49.886.234 euros, including a net profit of 7.443.096 euros), and the income statement by nature, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Responsibilities of management and the supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System;
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and

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Delegação: Rua Manuel Firmino, Ed. Veneza, 52 – 8º andar, sala AZ - 3800-213 Aveiro – Tel.: 234 386 517 – Fax: 234 386 518
E.mail: geral@arneto.pt

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- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

Aveiro, May 3, 2021

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda., represented by
António Rodrigues Neto
Statutory Auditor n.º 857 OROC and CMVM n.º 20160480

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X. REPORT OF THE BOARD OF DIRECTORS - CONSOLIDATED ACCOUNTS

In compliance with legal and statutory provisions, we hereby present and submit to the consideration of the General Meeting the Report of the Board of Directors and the Consolidated Financial Statements for FY 2020.

SCOPE OF CONSOLIDATION

In 2020, the scope of consolidation of OLI – Sistemas Sanitários, SA included the following entities:

- OLI - Sistemas Sanitários, SA. (parent company);

- OLI, SRL., 99.0% share held (Italy);

- OLI Rus OOO, 100% share held (Russia);

- OLI Sanitärsysteme GmbH, 100% share held (Germany);

- OLI Moldes, Lda., 83.0% share held (Portugal);

CONSOLIDATED PERFORMANCE

With regard to consolidated turnover, there was a stabilisation compared to the previous year, reaching a total value of € 70,954,810.

In terms of economic and financial performance, the consolidated data reflects the following evolution:
- Consolidated net income showed a strong increase (+131%), standing at € 7,366,492.
- Cash flow reached € 13,299,267, increasing 54%.
- Consolidated EBITDA rose 40% to € 13,015,417, being equivalent to 18.3% of turnover.
- Consolidated net bank debt dropped sharply by € -7,606,422, standing at € 8,070,816
- Consolidated financial autonomy was 60.9%.

In terms of group strategy, we continue to develop our activity by seeking to solidify the companies that underpin the base of our business, namely:

- The Italian and German subsidiaries, as an important channel for distributing the parent company's products in the respective markets.

- The Russian subsidiary, as a complementary industrial unit to the parent company, with the goal of supplying Eastern European markets, in a more economically competitive way.

- OLI Moldes, as an important instrument to supply moulds to the parent company, in excellent technical and opportunity conditions (along with the increasingly demanding maintenance of existing moulds), with an increasingly important role in the provision and performance of the parent company, given the complexity of some of its partnerships with major customers, will seek to complement this activity with the production and sale of moulds for the European industry, in order to balance the customer portfolio and remain competitive, both technically and economically.

- OLI - Sistemas Sanitários, SA, the parent company, which should assert itself as the core and driving force of the small group of companies which comprise it.

The parent company's report was prepared so as to suitably reflect the group's operation strategy, taking into account the proximity and affinity of strategic objectives among the various companies. To avoid unnecessary and tiresome repetitions, we will regard that report as part of this one and implicitly reproduced herein.

We will now briefly analyse each of the companies and indicate the most significant aspects related to the group's strategy:

OLI - SISTEMAS SANITÁRIOS
The various documents that precede this report are enlightening as to the weight and positioning of this company as the core of the group. As we mentioned above, this company is increasingly becoming the core and driving force for the group's other companies.

We are deeply committed to boosting the company's competitiveness by increasing its market share in the various markets where it operates, without neglecting geographic regions that are more distant but where there are business opportunities and possibilities for new partnerships.

Aware that differentiation and notoriety are achieved through product innovation and quality, OLI has been focusing on R&D projects with a direct impact on its activity by establishing strategic cooperation with the best knowledge networks in scientific and technological areas of relevance to its performance in the sector, aware that this knowledge sharing is crucial to enabling and enhancing new and unique opportunities for value creation. We should mention our partnerships with organisations that are part of the Scientific and Technological System, namely with Universities, as well as with associations for the promotion of R&D and also some suppliers and customers. The registration of the intellectual property generated remains a key strategic factor, which allows us to be an industry benchmark.

OLI ITALY
As previously mentioned, this company is essentially the Italian sales branch of the parent company, distributing the products manufactured by OLI – Sistemas Sanitários in Italy. However, it complements this activity with the distribution (re-exporting or "representation") in some markets, for reasons of greater affinity between those markets and those products. This strategy has proven successful, in that it allows it to optimise the sales potential of the parent company, with a complementarity that enhances the profitability of both companies.

We should also note the growing industrial activity that this subsidiary has been developing, namely in the development of solutions for OEMs in the Italian market.

The company's sales fell by 19%, standing at € 13,426,088. In terms of net income there was an improvement of 10% in

compared to 2019. Net income reached € 1,007,845.

OLI RUSSIA
The company continues to develop

its business plan and to grow both in the commercial and industrial aspects. In 2020, it consolidated the local production of components for the ceramics industry and the production of embedded cisterns with metal structure.

In 2020 it achieved a turnover of RUB 344,078,646, which represents a growth of 54%. Adjusting the turnover to Euros, this amount is equivalent to €4,159,317. Net income was negative and reached RUB -31,701,140, which, adjusted to Euros and applying the accounting standards, translates into a positive income of € 186,742.

OLI GERMANY
The company is in the process of commercial consolidation in the demanding German market. In 2020, contracts were consolidated with local distributors and agents and there was an expansion in terms of exports to neighbouring markets, namely Central Europe.

Sales reached € 1,977,767, representing a growth of 35%. Net income was negative in the amount of € -219,829, improving substantially compared to 2019.

OLI MOLDES
This company continues to work largely for the parent company, having

achieved, in 2020, a turnover of € 2,429,505 and a net income of € -28,536.

FUTURE STRATEGIES

After a difficult and very volatile year where the pandemic was a central topic and had a strong impact on most economic activities, 2021 started with good signs of recovery and the OLI Group is expecting to achieve a good performance.

OLI and all the companies in the group will remain focused on developing partnerships with its customers, suppliers and other stakeholders, continuing to implement its strategic plans aimed at a sustainable and balanced growth in the medium and long term. As mentioned earlier, our cautious forecasts are for double-digit growth.

Aveiro, 30 April, 2021

The Board of Directors,

António Manuel Moura de Oliveira

____

António Ricardo Raposo Oliveira

____

Rui Miguel Vieira de Oliveira

____

Pier Andreino Niboli

____

Federica Niboli

____

XI. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET ON 31.12.2020 AND 31.12.2019

EUR

Items	Notes	Periods	
		31.12.2020	31.12.2019
ASSETS			
Non-Current Assets			
Tangible fixed assets	7;9;11	38,623,913	36,374,130
Investment properties	12	5,210,594	5,380,914
Intangible Assets	6	80,299	111,104
Other Financial Investments	14	66,033	51,614
Deferred Tax Assets	22	866,710	460,651
		44,847,549	**42,378,413**
Current Assets			
Inventories	16	8,894,537	9,619,735
Customers	24	16,385,844	16,670,817
State and other public entities	24	1,313,597	1,843,394
Other receivables	24	1,497,815	1,221,528
Deferrals	24	300,977	426,667
Non-Current Assets Held for Sale	8		227,095
Cash and Bank Deposits	4	7,531,961	5,362,112
		35,924,729	**35,371,347**
Total Assets		**80,772,278**	**77,749,760**

Certified Accountant

Board of Directors

EUR

Items	Notes	Periods	
		31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Subscribed Capital	24	10,000,000	10,000,000
Other equity instruments	24		4,653
Legal reserves	24	2,281,000	2,305,598
Other Reserves	23;24	18,876,346	17,435,577
Retained Earnings	24	-2,388,455	-1,324,001
Revaluation surpluses	7;24	12,207,444	7,618,370
Adjustments/Other Changes in Equity	24	237,312	207,861
Net profit for the period	24	7,361,265	3,170,640
Non-controlling interests	24	585,356	536,525
Total Equity		**49,160,267**	**39,955,222**
LIABILITIES			
Non-Current Liabilities			
Provisions	18	230,967	244,103
Financing Received	9;10	11,838,673	12,255,138
Deferred Tax Liabilities	22	1,081,579	1,258,333
Other payables	24	363,648	203,975
		13,514,867	**13,961,549**
Current Liabilities			
Suppliers	24	8,806,850	9,901,151
Advance Payments from Customers	24	89,056	65,980
State and Other Public Entities	24	899,024	763,072
Financing Received	9;10	3,764,104	8,988,186
Other payables	24	4,453,436	3,998,620
Deferrals	24	84,674	115,980
		18,097,144	**23,832,989**
Total Liabilities		**31,612,012**	**37,794,538**
Total equity and liabilities		**80,772,278**	**77,749,760**

CONSOLIDATED INCOME STATEMENT BY NATURE FOR THE PERIODS ENDED ON 31.12.2020 AND 31.12.2019 EUR

INCOME AND EXPENSES	Notes	Periods 2020	Periods 2019
Sales and services provide	17;30	70,954,810	70,700,921
Operating subsidies	19	480,765	246,427
Changes in production inventories	16	24,649	-61,848
Own work capitalised		933,272	1,040,808
Cost of goods sold and materials consumed	16	-29,071,893	-30,213,401
External supplies and services	25;30	-13,188,353	-16,319,994
Staff costs	5;26	-17,457,639	-17,322,868
Inventory impairment (losses/reversals)	16	-119,028	144,183
Impairment on accounts receivable (losses/reversals)	24	-112,857	-54,472
Provisions (increases/reductions)	18	-31,846	-28,162
Increases/decreases in fair value	13		30
Other income	17;20;27	2,074,208	2,888,754
Other expenses	20;28	-1,470,671	-1,721,843
Income before depreciation, financing costs and taxes		**13,015,417**	**9,298,535**
Depreciation and amortisation expenses/reversals	6;7;9;12	-5,669,044	-5,516,609
Operating income (before financing costs and taxes)		**7,346,373**	**3,781,926**
Interest and similar costs	29	-285,183	-307,035
Income before taxes		**7,061,190**	**3,474,891**
Income tax for the period	22	305,302	-283,482
Net income for the period		**7,366,492**	**3,191,409**
Income from discontinued activities (net of taxes) included in the net income for the period			
Net income for the period attributable to:			
Holders of parent company equity		7,361,265	3,170,640
Non-controlling interests		5,227	20,768
		7,366,492	**3,191,409**
Basic earnings per share		**3.68**	**1.60**

Certified Accountant Board of Directors

Consolidated Statement of Cash Flows for the periods ended on 31.12.2020 and 31.12.2019

EUR

Items	Periods	
	2020	2019
Cash flows from operating activities		
Receipts from customers	79,177,235	76,616,363
Payments to suppliers	-47,652,480	-49,848,325
Payments to staff	-15,713,226	-15,578,810
Cash generated by operations	**15,811,529**	**11,189,227**
Income tax paid/received	258,636	-1,000,977
Other receipts/payments	-4,371,757	-3,910,150
Cash flows from operating activities (1)	**11,698,408**	**6,278,101**
Cash flow from investment activities		
Payments concerning:		
Tangible fixed assets	-2,197,058	-3,663,958
Intangible Assets	-44,342	-32,354
Financial investments	-663,884	-1,606
Other Assets	-112,538	-316,022
Receipts from:		
Tangible fixed assets	17,030	15,000
Financial investments	671,818	8,498
Other Assets	3,000	341,994
Interest and similar income	4,072	16,763
Cash flow from investment activities (2)	**-2,321,902**	**-3,631,686**

EUR

Items	Periods	
	2020	2019
Cash flows from financing activities		
Receipts from:		
Financing received	5,266,208	14,202,894
Payments concerning:		
Financing Received	-10,427,932	-14,364,778
Interest and similar costs	-283,645	-283,798
Dividends	-1,702,780	-857,400
Cash flows from financing activities (3)	**-7,148,149**	**-1,303,082**
Changes in cash and cash equivalents (1+2+3)	2,228,356	1,343,332
Exchange rate effect	-58,508	31,686
Cash and cash equivalents at the beginning of the financial year	**5,362,112**	**3,987,094**
Cash and cash equivalents at the end of the financial year	**7,531,961**	**5,362,112**

Certified Accountant

Board of Directors

Consolidated Statement of Changes in Equity in FY 2020

EUR

DESCRIPTION	NOTES	Equity attributed to the holders of the share capital of the parent company									Non-controlling interests	Total Equity
		Subscribed Capital	Share issue premiums	Legal reserves	Other reserves	Retained earnings	Revaluation surpluses	Adjustments/ other changes in equity	Net income for the period	Total		
POSITION AT THE BEGINNING OF FY 2020	1	10,000,000	4,653	2,305,598	17,435,577	-1,324,001	7,618,370	207,861	3,170,640	39,418,697	536,524	39,955,221
Changes in the Period												
First-time adoption of the new accounting standards												
Changes to accounting policies												
Exchange rate differences in the financial statements												
Realisation of the revaluation surplus of tangible and intangible fixed assets Revaluation												
surplus of tangible and intangible fixed assets and respective changes							4,413,903			4,413,903		**4,413,903**
Deferred tax adjustments							175,170	-11,490		163,680		**163,680**
Other changes recognised in equity			-4,653	-24,598	2,440,769	-364,454		40,942	-3,170,640	-1,082,634	43,604	**-1,039,030**
	2		**-4,653**	**-24,598**	**2,440,769**	**-364,454**	**4,589,074**	**29,451**	**-3,170,640**	**3,494,950**	**43,604**	**3,538,553**
NET PROFIT FOR THE PERIOD	**3**								7,361,265	**7,361,265**	**5,227**	**7,366,492**
COMPREHENSIVE INCOME	**4=2+3**								**7,361,265**	**7,361,265**	**48,831**	**10,905,045**
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD												
Capital increases												
Realisations of share issue premiums												
Distributions					-1,000,000	-700,000				-1,700,000		**-1,700,000**
Increases for hedging losses												
Other operations												
	5				**-1,000,000**	**-700,000**				**-1,700,000**		**-1,700,000**
POSITION AT THE END OF FY 2020	6=1+2+3+5	10,000,000		2,281,000	18,876,346	-2,388,455	12,207,444	237,312	7,361,265	48,574,911	585,356	49,160,267

Consolidated Statement of Changes in Equity in FY 2019

EUR

DESCRIPTION	Subscribed Capital	NOTES	Equity attributed to the holders of the share capital of the parent company: Subscribed Capital	Share issue premiums<	Legal reserves	Other reserves	Retained earnings	Revaluation surpluses	Adjustments/ other changes in equity	Net income for the period	Total	Non-controlling interests	Total Equity
POSITION AT THE BEGINNING OF FY 2019		6	10,000,000	4,653	2,305,598	14,570,200	-1, 689,600	7,618,370	125,707	3,782,269	36,717,195	523,160	37,240,356
Changes in the Period													
First-time adoption of the new accounting standards													
Changes to accounting policies													
Exchange rate differences in the financial statements													
Realisation of the revaluation surplus of Tangible and intangible fixed assets													
Revaluation surpluses of Tangible and intangible fixed assets and respective changes								-175,173			-175,173		**-175,173**
Deferred tax adjustments								175,173	64,468		239,641		**239,641**
Other changes recognised in equity						2,865,377	1,215,599		17,686	-3,782,269	316,394	-7,405	**308,989**
		7				**2,865,377**	**1,215,599**		**82,154**	**-3,782,269**	**380,862**	**-7,405**	**373,457**
NET PROFIT FOR THE PERIOD		**8**								3,170,640	**3,170,640**	**20,768**	**3,191,409**
COMPREHENSIVE INCOME		**9=7+8**								**3,170,640**	**3,170,640**	**13,364**	**3,564,866**
TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD													
Capital increases													
Realisations of share issue premiums													
Profit distribution							-850,000				-850,000		**-850,000**
Increases for hedging losses													
Other operations													
		10					**-850,000**				**-850,000**		**-850,000**
POSITION AT THE END OF FY 2019		11=6+7+8+10	10,000,000	4,653	2,305,598	17,435,577	-1,324,001	7,618,370	207,861	3,170,640	39,418,697	536,523.96	39,955,221

Certified Accountant

Board of Directors

XII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ON COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

1.1. - COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

The scope of consolidation included the parent company and all its subsidiaries, listed below:

Company Registered Office	Type	% of Share Capital Held	Share Capital
OLI – Sistemas Sanitários, SA Travessa do Milão Esgueira – 3800-314 Aveiro Portugal	Parent Company		€ 10,000,000
OLI Srl Località Piani di Mura 25070 Casto (BS) - Italy	Subsidiary	99%	€ 1,000,000
OLI Rus OOO Str Promyshiennaya 14219 Troitsk Moscow - Russia	Subsidiary	100%	€ 2,805,485
OLI Sanitärsysteme GmbH Bittelbronner Strasse 42-46 74219 Möckmühl - Germany	Subsidiary	100%	€ 25,000
OLI Moldes, Lda. Bairro Nossa Senhora das Necessidades - Aveiro - Portugal	Subsidiary	83%	€ 500,000

2. ACCOUNTING FRAMEWORK USED TO PREPARE THE FINANCIAL STATEMENTS

2.1 - ACCOUNTING FRAMEWORK ADOPTED AND BASES OF PRESENTATION

The attached Financial Statements were prepared under the provisions in force in Portugal, in accordance with Decree-Law no. 158/2009, of 13 July, as amended by Law no. 20/2010, of 23 August and Decree-Law no. 98/2015, of 2 June, and in accordance with the Conceptual Framework (EC), Accounting and Financial Reporting Standards (NCRF) and respective Technical Interpretations (SIC/IFRIC). The Accounting Standardisation Commission regulated investments in subsidiaries and consolidation by issuing NCRF 15 – Investments in subsidiaries and consolidation, based on IAS 27 – Consolidated and Individual Financial Statements.

The consolidation of subsidiary companies indicated in Note 1 was performed based on the full consolidation method.

Significant transactions and The OLI Group is 50% owned by each of the following entities: Oliveira & Irmão, Sgps, Lda, with registered office at Travessa do Milão, Esgueira - 3800-314 Aveiro and Valsir, SPA, with registered office at Localita Merlaro 2, Vestone, Italy. As a result, these financial statements will be consolidated at each of those parent companies. balances between companies were eliminated in the consolidation process. The value corresponding to third-party holdings in the subsidiary companies is presented in the consolidated balance sheet, under Minority Interests.

BASES OF PRESENTATION

The consolidated financial statements were prepared according to the principle of going concern, based on the accounting books and records of the companies included in the consolidation (note 1), maintained according to accounting principles generally accepted in Portugal.

COMPARABILITY

The accounting policies and measurement criteria adopted on 31 December 2020 are comparable to those used in preparing the Financial Statements on 31 December 2019.

3. MAIN ACCOUNTING POLICIES

3.1 - MEASUREMENT BASES USED TO PREPARE THE FINANCIAL STATEMENTS

INTANGIBLE ASSETS (NCRF 6)

Intangible assets are recorded at their acquisition cost, net of depreciations and accumulated impairment losses.
Intangible assets are only recognised if it is likely that they will produce future economic benefits for the entity, they are controllable and their cost can be reliably measured.

Development expenses are recognised whenever the entity demonstrates the ability to complete the respective development, begin to use it and when it is probable that the created asset will generate future economic benefits. Development expenses that do not meet these criteria are recorded as expenses in the year in which they are incurred. Research expenses are recognised as costs in the period in which they are incurred.

Amortisation is calculated after an asset is put into use and determined by the straight-line method according to its estimated useful life.

TANGIBLE FIXED ASSETS (NCRF 7)

Tangible fixed assets acquired by the parent company up to 1 January 2010 (date of transition to NCRF) are recorded at acquisition costs or revalued acquisition costs, in accordance with generally accepted accounting principles in Portugal, net of depreciation and accumulated impairment losses.

After that date, the tangible fixed assets acquired by the parent company are, with the exceptions mentioned, recorded at acquisition cost, net of depreciation and accumulated impairment losses.

For most of the companies based in Portugal and included in the scope of consolidation, buildings and land were revalued in 2011 by an external entity called L2I - Investimentos Imobiliários, Lda. and in 2017 by an external entity called CC Morais – Avaliação Imobiliária, Lda. This year, according to our knowledge of the market, they are up-to-date.

The tangible fixed assets of the subsidiary OLI, SRL (Italy) were revalued in the current fiscal year, namely in the land, buildings and basic equipment items.

Depreciation is calculated after the date on which the goods are available for use by the straight-line method in accordance with the estimated lifetime for each group of goods.

The depreciation rates used correspond to the following estimated service lives:

Description	Estimated number of years of life
Commercial and Office Buildings Industrial	50
Buildings	20
Light Structures	10
Moulds	6
Machines	10
Assembly lines	10
Tools and utensils	4
Transport equipment	4
Administrative equipment	8

Conservation and repair expenses that do not increase the useful life or do not result in significant enhancements or improvements of tangible fixed assets are recorded as expenses in the year in which they are incurred.

Tangible fixed assets in progress are assets still in the construction stage and are recorded at the acquisition cost. These tangible fixed assets are depreciated as of the moment in which the underlying assets are available for use and meet the necessary conditions to operate as planned by management.

Capital gains or losses resulting from the sale or write-off of tangible fixed assets are calculated as the difference between the sale price and the net book value, on the date of the sale or write-off. Said assets are recorded in the consolidated Profit-and-Loss Account, in items Other Income and Gains or Other Expenses and Losses.

NON-CURRENT ASSETS HELD FOR SALE (NCRF 8)

Non-current assets classified as held for sale are recorded at the lower of their book value and their fair value, minus the expected costs of the sale.

Whenever the amount for which the asset is recorded is greater than its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss, under item Impairment Losses.

The recoverable amount is the higher between the net selling price and the value in use. The net selling price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable entities, minus any expenses directly attributable to the sale. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

A reversal of an impairment loss recognised in prior years is recorded when it is determined that the impairment loss recognised no longer exists or has decreased. This analysis is performed whenever there are indications that the impairment loss that was previously recognised has been reversed. The reversal of impairment losses is recognised in the Income Statement. However, the impairment loss is reverted up to the amount that would be recognised (net of amortisation and depreciation) if the impairment loss had not been recorded in a prior period.

The assets recorded at 31 December, 2019 under the non-current assets held for sale item, of the parent company, were, in the current fiscal year, disposed of and/or transferred to the tangible fixed assets item.

LEASES (NCRF 9)

Leasing contracts are classified as Financial Leases if they imply a substantial transfer of all risks and advantages inherent to ownership of the asset and as Operating Leases if they do not imply the substantial transfer of all risks and advantages inherent to their ownership.

The classification of leases as Financial or Operating depends on the substance of the transaction and not on the form of the contract.

Tangible fixed assets acquired through finance lease contracts, as well as the corresponding responsibilities, are accounted for using the financial method. Tangible fixed assets, the corresponding accumulated depreciation and debts pending liquidation are recognised according to the contractual financial plan. Additionally, interest included in the value of rents and the depreciation of tangible fixed assets are recognised as expenses in the Profit-and-Loss Statement for the year to which they refer.

In the case of operating leases, rentals due are recognised as expenses in the consolidated income statement on a straight-line basis over the lease term.

BORROWING COSTS (NCRF 10)

Borrowing costs are generally recorded as an expense for the period.

Interest on borrowings directly attributable to the acquisition or construction of assets is capitalised as part of the cost of these assets. With regard to the remaining loans, the amount of interest to be capitalised is determined by applying an average capitalisation rate on the value of investments made.
The Group considers that an asset is eligible for capitalisation when it requires a substantial period of time to be available for use or for sale.

The capitalisation rate used in the financial year 2020 was that referred to in point 11 of the Notes. The Group's capitalisation policy is summed up as follows:
- The capitalisation of loan expenses begins when expenditure on the investment is being incurred, interest on loans is being borne, expenditures related to the asset have already been incurred and the activities necessary to prepare the asset to be available for use or sale are already underway;
- Capitalisation ends when all activities necessary to make the asset available for sale or for use are substantially completed;
- Other expenses directly attributable to the acquisition and construction of the assets, such as expenditure on materials consumed and staff costs, are also included in the cost of such assets.
- As a matter of practicality, capitalisation is only for interest on assets that take at least 9 months to construct and that reach a value exceeding € 100,000.

INVESTMENT PROPERTIES (NCRF 11)

Tangible fixed assets are classified as investment properties when held with the aim of capital appreciation and/or income generation.

Investment properties are initially valued at their acquisition or production cost, including directly attributable transaction costs. After initial recognition, investment properties are valued at cost, net of accumulated depreciation and impairment losses.

Costs incurred with investment properties, such as maintenance, repairs and insurance, are recognised as expenses in the period to which they relate. If there are improvements, where there is expectation that these will generate future economic benefits beyond those initially expected, these are recognised in the Investment Properties item.

Periodically, the fair value of investment properties is determined, and this valuation is reflected in the measurement of assets.

The buildings and land were evaluated in 2017, by a third party, CC Morais - Avaliação Imobiliária, Lda. This year, according to our knowledge of the market, they are up-to-date.

The administration, in the current financial year, has tested the fair value at which the investment properties are recorded. This test was carried out by in-house technicians, using the income method, based on the maximum possible amount of observable market data. This method aims to estimate the value of the property based on the capitalisation of its net income, updated to the present moment, through the discounted cash flows method

The duration of the lease agreements, the current rents, the location of the properties, the occupancy rate and the capitalisation/discount rate (between 6 and 8%) were taken into account.

In the sensitivity analysis carried out for the various scenarios, none showed material deviations from fair value.

IMPAIRMENT OF ASSETS (NCRF 12)

At the Balance Sheet date, an assessment is made of any objective evidence of impairment resulting, namely, in an adverse impact resulting from events or changes in circumstances indicating that the value at which the assets are recognised may not be recoverable.

Whenever the carrying amount of the asset is higher than the recoverable amount, an impairment is recognised in the Profit-and-Loss account, under item Impairment Losses.

The reversal of impairment losses, recognised in previous years, is recorded when there is evidence that such losses no longer exist or have decreased. Said losses are recognised in the consolidated profit-and-loss account, under item Reversal of Impairment Losses and are accounted up to the limit amount that would be recognised if the loss had been recorded.

Inventories, customers and other debtors were checked for impairment on the balance sheet date. It was found that there was objective evidence of impairment in inventories and customers. In the specific case of customers of OLI - Sistemas Sanitários, S.A., this year there was an increase in impairment previously constituted due to lawsuits and age. For this reason, impairments of customers and inventories were recognised in the Profit-and-Loss Account. Regarding Soplasnor, as a result of the liquidation and closure of this subsidiary, we used the accumulated impairment loss in the amount of € 5,615,150, related to a loan, made to this subsidiary, in the same amount.

INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION (NCRF 15)

In the individual accounts, financial holdings are initially recognised at cost and subsequently adjusted using the Equity Method. Full consolidation is applied, as this is required for holdings and control in subsidiaries.

After subsidiaries are acquired, profits and losses are accounted in the profits or losses of the parent company against the financial investment value. After the balance sheet date, the profit or loss is transferred to reserves whenever it is not distributed. This year the subsidiary OLI SRL will distribute dividends and, therefore, the amount to be transferred to reserves will be lower.
When the holding determined by the Equity Method is a loss that equals or exceeds the investment in the subsidiary, the parent company no longer recognises additional losses except if it has taken on obligations on behalf of the subsidiary.

Gains and losses not obtained from assets included in the Balance Sheet in transactions between group companies, inter-group transactions and the closing balances of related parties are eliminated from the consolidation.
Whenever necessary, the accounting policies of subsidiaries are altered to ensure consistency with the policies adopted by the Group.
At the end of the year, impairment tests are carried out on investees. These tests are performed in order to determine the recoverability of the investment, considering historical performance, as well as the business development expectations. The assessments are based on cash flow projections, which are, in turn, based on financial budgets approved by Management and discounted at the capital cost rate. Cash flows are extrapolated using estimated growth rates based on business development expectations.

INVENTORIES (NCRF 18)

Inventories are valued according to the following criteria:

- Commodities and raw materials, subsidiaries and consumables are valued at the lower between cost and net realisable value. Acquisition cost includes expenses incurred until storage, using the weighted average cost as the output costing method.

- Finished and semi-finished products, by-products and products and works in progress are valued at the lower between their production cost and their net realisable value. Production costs include the cost of the raw materials used, direct labour and overhead expenses.
The output cost is determined by the standard cost method.
In cases where the value of those goods is lower than the lowest of the average acquisition or production cost, an impairment cost is recorded for depreciation of inventories.

REVENUE (NCRF 20)

The Group recognises revenue whenever it is likely to obtain future economic benefits that can be reasonably measured. The amount of revenue is not considered reasonably measurable until all contingencies relating to a particular sale are substantially resolved. The Group bases its estimates on historical results, considering the type of customer, the nature of the transaction and the specificity of each agreement.

Revenue comprises the fair value of the consideration received or to be received for the sale and provision of services arising from the Group's regular activities. Revenue is recognised net of Value Added Tax (VAT), rebates and discounts.

Revenue from the sale of goods is recognised when all the following conditions are met:
- All risks and benefits associated with the ownership of the goods are transferred to the purchaser;
- The entity does not maintain any control over the goods sold;
- The revenue amount can be reliably measured;
- Future economic benefits associated with the transaction are likely to flow to the Group;
- Costs incurred or to be incurred in the transaction can be reliably measured.

Revenue from services rendered is recognised, net of tax, at the fair value of the amount receivable.

Revenue from services rendered is recognised by reference to the stage of completion of the transaction at the reporting date, provided that all the following conditions are met:
- The amount of revenue can be reliably measured;
- Future economic benefits associated with the transaction are likely to flow to the Group;
- Costs incurred or to be incurred in the transaction can be reliably measured;
- The transaction completion stage at the date of the report can be reliably measured.

Interest revenue is recognised using the effective interest method, provided it is likely that economic benefits will flow to the entity and its amount can be reliably measured.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (NCRF 21)

The Group has set up a provision for customer guarantees, as its products have a claim term under warranty, so the entity has a present obligation resulting from a past event, and it is likely that, to resolve this obligation, an outflow of resources will occur. The obligation amount was calculated based on historic occurrences in the previous three years.

Additionally, the Group has set up a provision to cover a possible negative outcome in lawsuits progress.

GOVERNMENT SUBSIDIES AND GOVERNMENT SUPPORT (NCRF 22)

Operating subsidies, in particular subsidies to support the technological research and development system and traineeship and employment programmes, are recognised in the Consolidated Income Statement in an amount proportional to the expenditure incurred, in accordance with the principle of accrual.

Non-refundable investment subsidies to finance tangible assets are recorded in Equity and recognised in the Profit-and-Loss Account, proportionally to the depreciation of subsidised assets during their useful life.

EFFECTS OF CHANGES IN CURRENCY EXCHANGE RATES (NCRF 23)

The assets and liabilities in the financial statements of foreign entities are translated into Euro using historical exchange rates and those in force on the date of the statement of financial position, as applicable, and income and expenses, and cash flows are translated into Euro using the average exchange rate recorded in the financial year.

	2020		2019	
Currency	Closing rate	Average rate	Closing rate	Average rate
RUB -Ruble	91.4671	82.7248	69.9563	72.4553

On the closing date, outstanding exchange balances (monetary items) are updated by applying the exchange rate in force on that date. Favourable and unfavourable exchange rate differences between the exchange rates in force on the date of the transactions and those on the date of collections, payments or on the Balance Sheet date are recorded as income and/or expenses in the Consolidated Income Statement for the year to which they pertain.

Exchange rate differences arising from the translation into Euro of financial statements of subsidiaries denominated in foreign currencies are recognised in equity, under Other Changes in Equity.

INCOME TAX (NCRF 25)

The group is subject to Corporate Income Tax (IRC) or equivalent. When determining the taxable income, the amounts not fiscally acceptable are added to and deducted from the accounting result. This difference between accounting and fiscal results can be of a temporary or permanent nature.

The Group records deferred taxes corresponding to the temporary differences between the accounting value of assets and liabilities and the corresponding tax base, according to the provisions of NCRF 25 – Deferred taxes.

The parent company has recorded deferred tax assets related to State claims for tax benefits that are not deductible in the year and that are reported in future periods.

Deferred taxes are recognised as expense or income for the year, except if they result from amounts recorded directly under Equity, in which case deferred tax is also recorded under the same item and calculated using the tax rates in force.

Expenses in income tax for the year are determined by adding current and deferred taxes.

Current income taxes are calculated based on the entity's taxable income according to tax regulations in force in the jurisdictions where the group companies are located. Deferred tax results from temporary differences between the value of assets and liabilities for financial reporting purposes, and the respective values for taxation purposes (tax base).

Deferred tax assets and liabilities are calculated using the tax rates in force and are recognised as expense or income for the year.

Deferred tax assets are recognised only when there are reasonable expectations of obtaining sufficient future taxable profits for their use, or in situations where there are taxable temporary differences that offset temporary deductible differences in the period of their reversal.

At the end of each period, these deferred taxes are recalculated, and are reduced whenever their future use is no longer likely.

ENVIRONMENTAL MATTERS (NCRF 26)

The activity developed by the parent company may cause environmental damage, wherefore, under the terms of Article 22 of Decree-Law 147/2008, of 29 July, the company must set up one or more autonomous financial guarantees, alternative or complementary to each other, which allow it to take responsibility for any damage it may cause. The company opted to comply with these provisions through the allocation of a reserve not available in equity.

FINANCIAL INSTRUMENTS (NCRF 27)

Financial instruments are valued according to the following criteria:
- Trade and other receivables - trade and other receivables are initially recorded at fair value and subsequently at their nominal value, which corresponds to their cost, since they do not bear interest and the discount effect is considered immaterial.
At the end of each reporting period, customer and other third-party receivables are analysed to determine the existence of any objective evidence that they are not recoverable. If this is the case, the respective loss is immediately

recognised as an impairment loss. Impairment losses are recorded subsequent to events that objectively and in a quantifiable manner imply that all or part of the outstanding balance will not be received. To this end, the Group takes into account market information demonstrating that the customer has defaulted on its responsibilities and historic information showing that overdue balances have not been received.

- Trade and Other Payables
debts to suppliers and other third parties are initially recorded at fair value and subsequently at their nominal value, which corresponds to cost, since they do not bear interest and the discount effect is regarded as immaterial.

- Loans – using one of the options of NCRF 27, loans are recorded under liabilities at their cost.

- Transactions and balances in foreign currency – transactions in foreign currency are recorded at the exchange rate of the transaction dates. On each reporting date, the carrying amounts of monetary items denominated in foreign currencies are updated at the exchange rates of that date. The carrying amounts of non-monetary items recorded in foreign currency at fair value are updated on the reporting date at the exchange rates in force on the dates on which the respective fair values were determined. Carrying amounts of non-monetary items recorded at historical cost denominated in foreign currency are not updated.
Exchange rate differences resulting from the aforementioned updates are recorded in the consolidated income statement for the period in which they are generated.

- Accrual basis – transactions are recognised in the accounts when they are generated, regardless of the moment when they were received or paid.

Differences between amounts received and paid and the corresponding income and expenses are recorded in the items of other accounts receivable, other accounts payable and deferrals.

- Cash and Bank deposits - the amounts included under Cash and cash equivalents correspond to cash and bank deposits, both readily realisable and without loss of value. Bank overdrafts are shown in the Consolidated Balance Sheet, in Current Liabilities, under Borrowing.

- Financial Instruments held for trading – financial assets and financial liabilities are classified as Held for Trading if they are primarily acquired or taken on for the purpose of sale or repurchase within a very short period of time or if they are part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence that actual profit has been recently obtained.
These assets and liabilities are recorded at fair value, and changes in fair value are recognised in the Income Statement.

EMPLOYEE BENEFITS (NCRF 28)

The Group's employees receive the following benefits:
- Short-term benefits: these include wages, salaries, social security contributions and a share in the profits. These benefits are accounted in the same time period in which the employee provided the service.

- Benefits for termination of employment: the Group recognises expenses related to work contract terminations, either by expiry of a term contract or by termination agreement.

3.2 - MAIN SOURCES OF UNCERTAINTIES IN ESTIMATES

Estimates are based on the best knowledge at any moment and on planned actions. These actions are periodically reviewed based on available information. Changes in facts and circumstances can lead to a revision of the estimates, so actual future results may differ from those estimates.

4. CASH FLOWS

The Cash and Bank Deposits item is broken down as follows:

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD

EUR

Description	Opening balance	Debits	Credits	Closing balance
Cash	10,621	93,243	89,817	14,046
Demand deposits	5,351,491	122,544,908	120,378,485	7,517,915
Total Cash and Bank Deposits	**5,362,112**	**122,638,151**	**120,468,303**	**7,531,961**

5. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION

5.1 - GROUP COMPOSITION

LIST OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

Description		FY 2020		
		Country of incorporation / registered	Shareholding office	
			Shareholding percentage	Percentage of voting rights
Subsidiaries	OLI Moldes LDA	Portugal	83%	83%
	OLI, SRL	Italy	99%	99%
	Oli Sanitarsysteme GmbH	Germany	100%	100%
	OLI Rus OOO	Russia	100%	100%
Total				

LIST OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

Description		FY 2019		
		Country of incorporation / registered	Shareholding office	
			Shareholding percentage	Percentage of voting rights
Subsidiaries	OLI Moldes LDA	Portugal	83%	83%
	Soplasnor-Soc. Plásticos do Norte, SA	Portugal	100%	100%
	OLI, SRL	Italy	99%	99%
	Oli Sanitarsysteme GmbH	Germany	100%	100%
	OLI Rus OOO	Russia	100%	100%
Total				

5.2 - REMUNERATION OF KEY MANAGEMENT STAFF

REMUNERATION OF GOVERNING BODIES

EUR

Description	FY 2020	FY 2019
Board of Directors - OLI Sistemas Sanitários S.A.	897,494	608,747
Management – OLI Moldes Lda	67,264	76,413
Management - OLI SRL	198,200	205,500
Total	**1,162,958**	**890,660**

6. DISCLOSURE OF INTANGIBLE ASSETS

CARRYING AMOUNT AND OPERATIONS IN INTANGIBLE FIXED ASSETS IN 2020 EUR

	Description	Development projects	Computer Programmes	Industrial property	Other Intangible assets	Intangible assets in progress	Advance payments on account of assets	Total
	With finite service life:							
4	Initial gross carrying amount	59,840	1,043,210	33,609	386,490	7,288		1,530,436
5	Initial accumulated amortisations	59,840	939,393	33,609	386,490			1,419,332
6	Initial accumulated impairment losses							
7	Initial net carrying amount (7 = 4 - 5 – 6)		103,816			7,288		111,104
8	Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)		-23,518			-7,288		-30,805
8.1	**Total additions**		**37,055**			**7,288**		**44,342**
Additions	Acquisitions		37,055			7,288		44,342
8.2	**Total decreases**		**75,148**					**75,148**
Decreases	Amortisation		75,148					75,148
8.4	Transfers of IFA in progress		14,575			-14,575		
9	Final net carrying amount (9 = 7 + 8)		80,299					80,299
	Service life	**3**	**3**	**3**	**3**			

CARRYING AMOUNT AND OPERATIONS IN INTANGIBLE FIXED ASSETS IN 2019

EUR

	Description	Development Projects	Computer Programmes	Industrial property	Other Intangible assets	Intangible assets in progress	Advance payments on account of assets	Total
	With finite service life:							
4	Initial gross carrying amount	59,840	1,003,143	33,609	386,490	15,000		1,498,082
5	Initial accumulated amortisations	51,529	772,357	33,609	386,490			1,243,985
6	Initial accumulated impairment losses							
7	**Initial net carrying amount (7 = 4 - 5 – 6)**	**8,311**	**230,786**			**15,000**		**254,097**
8	**Operations in the period: (8 = 8.1 - 8.2 + 8.3 + 8.4 +8.5 +8.6)**	**-8,311**	**-126,969**			**-7,713**		**-142,993**
8.1	**Total additions**		**17,911**			**12,288**		**30,198**
Additions	Acquisitions		17,911			12,288		30,198
8.2	**Total decreases**	**8,311**	**165,753**					**174,064**
Decreases	Amortisation	8,311	165,753					174,064
8.4	Transfers of IFA in progress		22,156			-20,000		2,156
8.6	Other transfers		-1,283					-1,283
9	**Final net carrying amount (9 = 7 + 8)**		**103,816**			**7,288**		**111,104**
	Service life	**3**	**3**	**3**	**3**			

7. TANGIBLE FIXED ASSETS

7.1 - DISCLOSURE OF TANGIBLE FIXED ASSETS

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2020

EUR

		Description	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other TFA	in progress	Advances payments on account of TFA	Total
1		Initial gross carrying amount	6,449,662	27,600,702	52,240,992	2,094,647	2,204,926	1,428,911	3,121,770	28,641	95,170,250
2		Initial accumulated depreciation		14,201,079	39,674,124	1,576,459	1,950,738	1,393,720			58,796,120
3		Initial accumulated impairment losses									
4		Initial net carrying amount (4 = 1 - 2 – 3)	6,449,662	13,399,623	12,566,868	518,188	254,188	35,191	3,121,770	28,641	36,374,130
5		Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)	986,324	2,776,534	961,854	-187,579	162,290	17,292	-2,445,392	-21,557	2,249,783
5.1		**Total additions**	**986,324**	**3,071173**	**1,547,063**	**38,333**	**248,376**	**32,195**	**1,562,683**	**-12,857**	**7,473,308**
	Additions	First-hand acquisitions	69,287	37,783	747,079	38,333	248,376	32,195	1,562,683	-12,857	2,722,878
		Revaluation increases	917,055	3,033,390	799,984						4,750,429
5.2		**Total decreases**		**1,756,612**	**3,219,767**	**243,304**	**119,631**	**15,502**			**5,354,818**
	Decreases	Depreciations		1,756,612	3,182,750	218,314	119,341	8,564			5,285,582
		Sales				24,990					24,990
		Write-offs			2,528		290				2,818
		Other			34,489			6,938			41,427
5.3		Reversals of impairment losses									
5.4		Transfers of TFA in progress		1,461,973	2,368,268	2,815	33,544	600	-4,008,604		124,886
5.5		Transfers from/to non-current assets held for sale			266,290						266,290
5.6		Other transfers				14,577			529	-8,700	6,406
6		Final net carrying amount (6 = 4 + 5)	7,436,004	16,176,157	13,528,722	330,609	416,477	52,483	676,378	7,084	38,623,913
		Service life		**3;10;20;50**	**1;3;4;6;8;10**	**4;6**	**3;5;6;7;8;10**	**3;4**			

CARRYING AMOUNT AND OPERATIONS IN TANGIBLE FIXED ASSETS IN 2019

EUR

	Description	Land and natural resources	Building and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other TFA	TFA in progress	Advance payments on account of TFA	Total
1	Initial gross carrying amount	6,422,587	27,032,858	47,132,157	1,949,406	2,260,055	1,413,959	4,264,552	34,826	90,510,400
2	Initial accumulated depreciation		12,550,362	35,505,584	1,408,839	1,858,587	1,402,903			52,726,275
3	Initial accumulated impairment losses									
4	Initial net carrying amount (4 = 1 - 2 – 3)	6,422,587	14,482,496	11,626,573	540,567	401,468	11,056	4,264,552	34,826	37,784,125
5	Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)	27,075	-1,082,873	1,293,404	-22,379	-147,280	24,134	-1,495,892	-6,185	-1,409,995
5.1	**Total additions**	**27,075**	**2,150**	**422,594**	**168,820**	**47,608**	**319**	**3,598,687**	**-2,925**	**4,264,329**
Additions	First-hand acquisitions	27,075	2,150	422,594	168,820	47,608	319	3,598,687	-2,925	4,264,329
5.2	**Total decreases**		**1,650,717**	**3,043,271**	**267,796**	**110,314**	**4,728**	**270,513**		**5,347,337**
Decreases	Depreciations		1,650,717	3,024,529	246,751	110,314	4,728			5,037,038
	Sales			16,242	21,045					37,287
	Write-offs			2,500						2,500
	Other							270,513		270,513
5.3	Reversals of impairment losses									
5.4	Transfers of TFA in progress		565,694	3,889,607	4,451	12,053	28,543	-4,823,402		-323,054
5.5	Transfers from/to non-current assets held for sale									
5.6	Other transfers			24,473	72,146	-96,627		-664	-3,260	-3,933
6	Final net carrying amount (6 = 4 + 5)	6,449,662	13,399,623	12,919,977	518,188	254,188	35,191	2,768,661	28,641	36,374,130
	Service life		**3;10;20;50**	**2;3;4;5;6;8;10;20**	**4;6**	**3;5;6;7;8;10**	**3;4**			

7.2 - DISCLOSURE OF REVALUATION SURPLUS OF TANGIBLE FIXED ASSETS

CARRYING AMOUNT AND OPERATIONS IN REVALUATION SURPLUSES IN 2020

EUR

Description	Legal Revaluation Reserves		Free Revaluation Reserves		Total
	Not Performed	Performed	Not Performed	Performed	
Value of the revaluation surplus at the beginning of the period	44,439	117,654	4,288,306	3,167,971	7,618,370
Revaluation	4,589,074				4,589,074
Depreciations	-13,095	13,095	-598,904	598,904	
Value of the revaluation surplus at the end of the period	**4,620,418**	**130,749**	**3,689,402**	**3,766,875**	**12,207,444**

CARRYING AMOUNT AND OPERATIONS IN REVALUATION SURPLUSES IN 2019

EUR

Description	Legal Revaluation Reserves		Free Revaluation Reserves		Total
	Not Performed	Performed	Not Performed	Performed	
Value of the revaluation surplus at the beginning of the period	57,560	104,533	4,887,210	2,569,067	**7,618,370**
Depreciations	-13,121	13,121	-598,904	598,904	
Value of the revaluation surplus at the end of the period	**44,439**	**117,654**	**4,288,306**	**3,167,971**	**7,618,370**

7.3 - TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2020

EUR

Asset	Creditor	Pledged Amount	Asset Value	Depreciation	Net amount
Soplasnor Building and adjacent land	BPI	4,500,000	5,284,446	954,624	4,329,823
OLI SRL Building	Ubi Banca	2,000,000	1,830,753	396,319	1,434,434
		6,500,000	**7,115,199**	**1,350,943**	**5,764,256**

TANGIBLE FIXED ASSETS PLEDGED AS GUARANTEES FOR LIABILITIES IN 2019

EUR

Asset	Creditor	Pledged amount	Asset value	Depreciation	Net Amount
Soplasnor Building and adjacent land	BPI	4,500,000	5,170,653	742,682	4,427,971
OLI SRL Building	Ubi Banca	2,000,000	1,830,753	344,693	1,486,060
		6,500,000	**7,001,406**	**1,087,374**	**5,914,031**

8. NON-CURRENT ASSETS HELD FOR SALE

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD

EUR

Description	Opening Balance	Acquisitions	Sales	Transfers	Closing Balance
Set of moulds for filling valves	14,268			14,268	
Set of moulds for discharge valves	7,927			7,927	
Set of computer equipment purchased for sale	3,313		3,313		
Set of moulds for floor siphons	2,114			2,114	
Set of moulds purchased for sale	199,473	27,610		227,083	
Set of machines					
Set of office furniture					
Total	**227,095**	**27,610**	**3,313**	**251,392**	

9. LEASES

9.1 - LEASE AGREEMENTS

The company's leasing contracts are listed below:

ASSETS BEING FINANCED THROUGH FINANCE LEASE CONTRACTS, THE RESPECTIVE NET CARRYING AMOUNTS AND CONTINGENT RENTS RECOGNISED AS EXPENSES IN THE PERIOD

EUR

	Contract	Description	Leasing entity	Acquisition value	Lease term		2020	2019
					Start	End		
Tangible fixed assets - OLI Sanitários, SA	CT1660968700	VW Passat 13SG86	BPI	35,300	05/01/2017	05/01/2022		8,825
	CT1860320900	VW Golf 59UP34	BPI	24,990	07/05/2018	23/05/2023	7,810	14,057
	CT1762184600	VW Passat 87TZ70	BPI	34,990	09/01/2018	09/01/2023	8,747	17,495
	CT1863210000	BMW 5 99VR47	BPI	47,841	07/12/2018	17/12/2023	22,924	34,884
	CT1930226400	AUDI E-TRON 08ZA40	BPI	109,000	19/11/2019	19/11/2025	77,208	104,458
	CT2060020700	AUDI A3 SPORTBACK DIESEL 35-ZS-54	BPI	24,990	21/01/2020	21/01/2025	18,743	
	CT1861392700	GOLF VII DIESEL GP 52-US-01	BPI	14,500	22/09/2020	30/04/2023	13,292	
Totals				**291,611**			**148,724**	**179,720**
Tangible fixed assets - OLI Moldes, Lda	1861392700	Volkswagen Golf - 52US01	BPI	24,990	30/05/2018	30/05/2023		14,578
	2015044167	Industrial equipment	BPI	95,000	06/11/2015	06/11/2021	33,646	45,521
Totals				**119,990**			**33,646**	**60,098**

9.2 - AMOUNTS RECOGNISED IN THESE ASSETS

FINANCIAL LEASES

EUR

	Description	2020 Tangible fixed assets	2020 Total	2019 Tangible fixed assets	2019 Total
1	Final gross carrying amount	433,111	433,111	539,911	539,911
2	Accumulated Depreciation/Amortisations	250,742	250,742	300,093	300,093
3	Impairment losses and reversals				
4	**Final net carrying amount (4 = 1 - 2 - 3)**	**182,370**	**182,370**	**239,818**	**239,818**
5	**Future minimum lease payments at the balance sheet date:**				
5.1	Up to one year	77,012	77,012	87,433	87,433
5.2	One to five years	127,560	127,560	177,870	177,870
5.3	More than five years				
	Total (5 = 5.1 + 5.2 + 5.3)	**204,572**	**204,572**	**265,303**	**265,303**

OPERATIONAL LEASING

EUR

	Description	2020	2019
5	**Future minimum lease payments at the balance sheet date:**		
5.1	Up to one year	24,188	22,945
5.2	One to five years	10,020	17,587
5.3	More than five years		
	Total (5 = 5.1 + 5.2 + 5.3)	**34,209**	**40,532**
	Amount of payments recognised as expenses for the period	**29,714**	**42,548**

10. BORROWING

10.1 - INFORMATION ON GENERAL LOANS

EUR

Description	31/12/2020			31/12/2019		
	Current	Non-current	Total	Current	Non-current	Total
Credit cards	1,648		**1,648**			
Commercial Paper Programme	700,000		**700,000**	3,900,000		**3,900,000**
Medium- and Long-Term	2,948,583	10,885,697	**13,834,280**	5,000,753	11,241,736	**16,242,490**
Leasing	77,012	127,560	**204,572**	87,433	177,870	**265,303**
FEDER - Application No. 33547	36,861	825,416	**862,277**		835,532	**835,532**
Total	**3,764,104**	**11,838,673**	**15,602,776**	**8,988,186**	**12,255,138**	**21,243,325**

11. BORROWING COSTS

BORROWING COSTS IN 2020

EUR

Description	Start date of the work	Interest amount accrued	Interest rate applied
Tangible fixed assets		**21,147**	
Buildings and other structures	07/12/2017	2,793	1.57%
Buildings and other structures	31/12/2018	1,474	1.57%
Buildings and other structures	12/02/2019	1,866	1.57%
Buildings and other structures	01/03/2019	1,312	1.57%
Machines for specific uses	06/06/2017	1,560	1.57%
Machines for specific uses	02/10/2018	3,224	1.57%
Industrial facilities	26/01/2018	1,193	1.57%
Buildings in progress	01/09/2017	7,284	1.57%
Basic equipment in progress	26/06/2020	440	1.57%
Total		**21,147**	

Prerequisites: in progress for a period of more than 9 months and amount higher than € 100,000

BORROWING COSTS IN 2019

EUR

Description	Start date of the work	Interest amount accrued	Interest rate applied
Tangible fixed assets		**48,166**	
Buildings and other structures	21/05/2018	5,579	1.92%
Buildings and other structures	30/07/2018	1,165	1.92%
Machines for specific uses	30/01/2018	2,067	1.92%
Machines for specific uses	01/02/2018	2,267	1.92%
Machines for specific uses	02/10/2018	1,721	1.92%
Machines for specific uses	02/10/2018	3,155	1.92%
Moulds	30/07/2018	1,185	1.92%
Buildings in progress	01/09/2017	7,852	1.92%
Buildings in progress	07/12/2017	3,540	1.92%
Buildings in progress	31/12/2018	2,855	1.92%
Buildings in progress	12/02/2019	903	1.92%
Buildings in progress	01/03/2019	1,973	1.92%
Basic equipment in progress	06/06/2017	4,462	1.92%
Basic equipment in progress	26/01/2018	2,131	1.92%
Basic equipment in progress	30/05/2018	4,953	1.92%
Total		**48,166**	

12. INVESTMENT PROPERTIES

CARRYING AMOUNT AND OPERATIONS IN INVESTMENT PROPERTIES IN 2020

EUR

	Description	Land and natural resources	Buildings and other structures	Total
1	Initial gross carrying amount	1,719,814	5,192,223	6,912,037
2	Initial accumulated depreciation		1,271,703	1,271,703
3	Initial accumulated impairment losses		259,420	259,420
4	**Initial net carrying amount (4 = 1 - 2 – 3)**	**1,719,814**	**3,661,100**	**5,380,914**
5	**Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)**		**-244,682**	**-170,320**
5.1	**Total additions**			
Additions	Acquisitions			
5	**Total decreases**		**581,561**	**581,561**
Decreases	Depreciations		308,315	308,315
	Other		273,246	273,246
5.3	Reversals of impairment losses			
5.4	Transfers of TFA in progress		113,793	113,793
5.5.	Transfers from/to non-current assets held for sale			
5.6	Other transfers	74,362	223,085	297,447
6	**Final net carrying amount (6 = 4 + 5)**	**1,719,814**	**3,416,418**	**5,210,594**
	Service life		**3;11;29**	

CARRYING AMOUNT AND OPERATIONS IN INVESTMENT PROPERTIES IN 2019

EUR

	Description	Land and natural resources	Buildings and other structures	Total
1	Initial gross carrying amount	1,719,814	4,882,566	6,602,380
2	Initial accumulated depreciation		966,196	966,196
3	Initial accumulated impairment losses		259,420	259,420
4	**Initial net carrying amount (4 = 1 - 2 – 3)**	**1,719,814**	**3,656,950**	**5,376,764**
5	**Operations in the period: (5 = 5.1 - 5.2 + 5.3 + 5.4 + 5.5 + 5.6)**		**4,150**	**4,150**
5.1	**Total additions**		**5,579**	**5,579**
Additions	Acquisitions		5,579	5,579
5	**Total decreases**		**305,507**	**305,507**
Decreases	Depreciations		305,507	305,507
5.3	Reversals of impairment losses			
5.4	Transfers of TFA in progress		304,078	304,078
5.5	Transfers from/to non-current assets held for sale			
5.6	Other transfers			
6	**Final net carrying amount (6 = 4 + 5)**	**1,719,814**	**3,661,100**	**5,380,914**
	Service life		**3;11;29**	

OTHER INFORMATION

EUR

Description	2020	2019	Total
Amounts recognised in profit-and-loss			
Rents and other income from investment properties	285,700	254,000	539,700
Direct operating expenses in properties generating income	34,719	37,750	72,469
Total	**250,981**	**216,250**	**467,231**

13. DISCLOSURE OF INFORMATION ON GAINS RELATED TO FAIR VALUE

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD IN GAINS RELATED TO FAIR VALUE AT OLI SRL

EUR

	Description	31/12/2020	31/12/2019
5	**Operations in the period: (5 = 5.1 + 5.2 + 5.3 - 5.4 + 5.5 + 5.6 - 5.7 - 5.8 - 5.9 + 5.10 + 5.11)**		**30**
5.3	Investor's share in the investee's profits		30
6	**Final net carrying amount (6 = 4 + 5)**		**30**

14. FINANCIAL INVESTMENTS

FINANCIAL HOLDINGS IN 2020

EUR

	Description	Investments in subsidiaries	Total
	Other methods		
7	Initial gross carrying amount	51,614	51,614
10	**Initial net carrying amount (10 = 7 - 8 + 9)**	**51,614**	**51,614**
11	**Operations in the period: (11 = 11.1 + 11.2 + 11.3 + 11.4 + 11.5 + 11.6 + 11.7 + 11.8 + 11.9 + 11.10 + 11.11 + 11.12)**	**14,419**	**14,419**
11.2	Other acquisitions	15,126	15,126
11.5	Sales	-708	-708
12	**Final net carrying amount (12 = 10 + 11)**	**66,033**	**66,033**

FINANCIAL HOLDINGS IN 2019

EUR

	Description	Investments in subsidiaries	Total
	Other methods		
7	Initial gross carrying amount	35,186	35,186
10	**Initial net carrying amount (10 = 7 - 8 + 9)**	**35,186**	**35,186**
11	**Operations in the period: (11 = 11.1 + 11.2 + 11.3 + 11.4 + 11.5 + 11.6 + 11.7 + 11.8 + 11.9 + 11.10 + 11.11 + 11.12)**	**16,428**	**16,428**
11.2	Other acquisitions	16,428	16,428
12	**Final net carrying amount (12 = 10 + 11)**	**51,614**	**51,614**

15. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION

Company/Registered office	% of Share Capital Held
OLI, SRL Località Piani di Mura 25070 Casto (BS) - Italy	99%
OLI Moldes, LDA Bairro Nossa Senhora das Necessidades - Aveiro - Portugal	83%
Oli Sanitarsysteme GmbH Bittelbronner Straße 42-46, 74219 Mockmuhl - Germany	100%
OLI Rus OOO Str Promyshlennaya 11, 142191 - Troitsk, Moscow - Russia	100%

16. INVENTORIES

Inventories are broken down as follows:

CARRYING AMOUNT EUR

Description	31/12/2020			31/12/2019		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Goods	2,300,538	95,715	2,204,823	2,349,823	109,379	2,240,444
Raw, subsidiary and consumable materials	3,593,417	144,990	3,448,427	3,523,187	107,977	3,415,210
Finished and intermediate goods	3,571,513	330,226	3,241,287	4,198,628	234,548	3,964,080
Total	**9,465,468**	**570,931**	**8,894,537**	**10,071,638**	**451,903**	**9,619,735**

The cost of goods and materials consumed is as follows:

CALCULATION OF THE COST Of GOODS SOLD AND MATERIALS CONSUMED EUR

Description	31/12/2020			31/12/2019		
	Goods	Raw, subsidiary and consumable materials	Total	Goods	Raw, subsidiary and consumable materials	Total
Initial inventories	2,331,940	3,501,435	5,833,376	2,210,065	3,417,533	5,627,598
Purchases	4,713,301	24,928,800	29,642,100	4,169,573	26,465,295	30,634,868
Reclassification and adjustment of inventories	464,983	-188,185	276,798	437,351	-201,683	235,668
Conversion differences	-62,144	-75,590	-137,734	9,395	10,585	19,979
Final inventories	2,353,400	3,635,650	5,989,051	2,331,940	3,501,435	5,833,376
Cost of goods sold and materials consumed (5=1+2+3-4)	**4,164,714**	**24,982,770**	**29,071,893**	**3,619,741**	**26,593,660**	**30,213,401**
Other information concerning raw, subsidiary and consumption materials:						
Accumulated inventory adjustments/impairment losses in the period	5,409	37,013	42,422	109,379	107,977	217,356
Reversal of inventory adjustments/impairment losses in the period	19,073		19,073	274,441	107,341	381,782
Accumulated adjustments/Impairment losses in inventories	95,715	144,990	240,705	109,379	107,977	217,356

Changes in production inventories were as follows:

CALCULATION OF THE CHANGE IN PRODUCTION **EUR**

Description	31/12/2020 Finished and intermediate goods	31/12/2019 Finished and intermediate goods
Final inventories	3,585,631	4,192,369
Reclassification and adjustment of inventories	609,638	412,819
Conversion differences	21,750	-5,197
Initial inventories	4,192,369	4,661,840
Changes in production inventories (4=1+2-3)	**24,649**	**-61,848**
Accumulated inventory adjustments/impairment losses in the period	229,344	234,548
Reversal of inventory adjustments/impairment losses in the period	133,665	214,304
Accumulated adjustments/Impairment losses in inventories	330,226	234,548

17. REVENUE

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD **EUR**

Description	Total	
	2020	2019
Revenue recognised in the period:		
Sales and services provided	**70,954,810**	**70,700,921**
Goods sold	70,609,897	70,433,673
Services provided	344,913	267,248
Other Income	**23,748**	**28,998**
Interest earned	23,748	28,998
Total	**70,978,557**	**70,729,919**

18. PROVISIONS FOR THE YEAR AND CONTINGENT LIABILITIES

18.1 - PROVISIONS

Provisions for guarantees to customers were set up in the proportion between expenses arising from these guarantees actually incurred over the last three fiscal years and sales in the same period.

EUR

Description	2020		2019	
	Guarantees provided to customers	Total	Guarantees provided to customers	Total
Initial carrying amount	**28,162**	**28,162**	**29,535**	**29,535**
Operations in the period (2 = 2.1-2.2)	**3,683**	**3,683**	**-1,372**	**-1,372**
Total increases	31,846	31,846	28,162	28,162
Reinforcement	31,846	31,846	28,162	28,162
Total decreases	28,162	28,162	29,535	29,535
Use	28,162	28,162	29,535	29,535
Reversal				
Carrying amount for the year (3 = 1 + 2)	**31,846**	**31,846**	**28,162**	**28,162**
Final Carrying Amount	**31,846**	**31,846**	**28,162**	**28,162**

18.2 - CONTINGENT LIABILITIES

There are two lawsuits against OLI at the Judicial Court of the District of Aveiro.

In case 2037/19.7T8AVR OLI is accused of having occupied land owned by the plaintiff, who is requesting the return of the land and compensation, all totalling € 95,000. This land was purchased from a real estate company that will ultimately be sued by OLI to reimburse the amount that may have to be disbursed. Thus, we do not foresee any outflow of financial flows in this case.

In case 3788/20.9T8AVR OLI is accused of using a road that the plaintiff claims is private, asking for compensation in the amount of € 60,000. OLI has documents and authorisations issued by the competent services of the Municipality of Aveiro which state that the road in question is public domain.

Again, no outflow of financial flows is expected as a result of this case.

19. GOVERNMENT SUBSIDIES AND AIDS

SUBSIDIES FROM THE STATE AND OTHER PUBLIC ENTITIES

EUR

	DESCRIPTION	2020		2019	
		Amount attributed in the period or in previous periods	Amount assigned to the period	Amount attributed in the period or in previous periods	Amount assigned to the period
1	Subsidies related to assets/for investment: (1 = 1.1 + 1.2 + 1.3)	1,620,631	79,058	1,423,640	298,047
1.1	Tangible fixed assets	1,620,631	79,058	1,423,640	298,047
1.2	Intangible assets				
1.3	Other assets				
2	**Subsidies related to income/Investment subsidies**		480,765		246,427
3	**Value of repayments in the period related to: (3 = 3.1 + 3.2)**				
4	TOTAL (4 = 1 + 2 - 3)	1,620,631	559,823	1,423,640	544,474

In 2020, the group had no subsidies from other entities.

20. EFFECTS OF FOREIGN EXCHANGE RATE CHANGES

EFFECTS OF FOREIGN EXCHANGE RATE CHANGES

EUR

Description	31/12/2020	31/12/2019
Exchange rate differences		
Recognised as income for the period:		
Unfavourable exchange rate differences	81,503	20,403
Favourable exchange rate differences	9,189	32,613

21. EVENTS AFTER THE BALANCE SHEET DATE

The consolidated financial statements for the year ended 31 December 2020 were approved by the Board of Directors and authorised for issue on 30 April 2021.

However, these are still pending approval by the General Shareholders' Meeting, and the Board of Directors of the entity believes that they will be approved without amendments.

22. INCOME TAX

INCOME TAX CARRYING AMOUNT EUR

	Description	31/12/2020	31/12/2019
1	Accounting profit-or-loss for the period (before taxes)	7,061,190	3,474,891
2	Current tax	-459,842	-568,754
3	Deferred tax	765,144	285,272
4	**Income tax for the period (4 = 2 + 3)**	**305,302**	**-283,482**
5	Autonomous taxation	62,782	153,285

DEDUCTIONS RELATED TO TAX BENEFITS AT OLI Sistemas Sanitários, SA EUR

Description	31/12/2020	31/12/2019
SIFIDE – System of Tax Incentives for Research and Business Development	31,675	800,000
RFAI – Investment Support Tax Benefit Scheme		55,172
Total	**31,675**	**855,172**

Notes: (the following matters refer exclusively to the parent company):
The amounts of deductions from taxable income for 2019 were not those shown in the column '31/12/2019' in the table above. In fact, when IRC form 22 for the parent company was submitted, the amounts deducted were: SIFIDE € 691,953 and RFAI € 161,787, for a total amount of € 853,740.

The SIFIDE value deducted from taxable income in 2020 refers to part of that reported in 2019.

The SIFIDE value deducted from taxable income in 2019 refers to the total amount reported in 2018 and part of the estimated value calculated in 2019.

The RFAI value deducted from taxable income in 2019 refers to the benefit calculated for 2019.

The group records deferred tax assets amounting to € 866,710 related to impairment losses not accepted for tax purposes and to the reporting of the SIFIDE tax benefit. It also records deferred tax liabilities of € 1,081,579 related to legal revaluations and free revaluations. These amounts include deferred taxes related to the operations for account consolidation.

23. ENVIRONMENTAL MATTERS

In 2013, the parent company OLI - Sistemas Sanitários, S.A. set up a financial guarantee in the form of a reserve in equity that allows the company to assume the environmental responsibilities inherent to its activity, as required by Decree-Law 147/2008, of 20 July and subsequent amendments. This environmental liability reserve was constituted in the amount of € 100,000, transferred from other reserves.

24. FINANCIAL INSTRUMENTS

24.1 - DISCLOSURE OF THIRD-PARTY FIGURES

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	Total	
	31/12/2020	31/12/2019
Customers	**16,385,844**	**16,670,817**
Current account	14,934,755	15,266,081
Receivables	1,670,569	1,583,751
Doubtful debts	709,077	1,869,870
Impairment losses	-928,556	-2,048,885
Advance Payments from Customers	**89,056**	**65,980**
Suppliers	**8,806,850**	**9,901,151**
Other payables	**4,817,084**	**4,202,595**
Staff	298,923	244,240
Investment suppliers	325,806	216,821
Creditors by accrued expenses - interest	20,320	25,698
Creditors by accrued expenses - insurance	74	42,375
Creditors by accrued expenses – End of month		1,338
Creditors by accrued expenses – Credit cards	538	1,902
Creditors by accrued expenses - bonus payable to the board of directors	659,122	456,579
Creditors by accrued expenses - end of contract compensation	57,345	46,524
Creditors by accrued expenses – Vacations and vacation pay	2,122,268	2,128,104
Creditors by accrued expenses - commissions	79,305	65,072
Creditors by accrued expenses – Rappel	385,828	395,871
Creditors by accrued expenses – Points	312,042	206,711
Creditors by accrued expenses – Other	392,357	327,949
Other Creditors	163,158	43,411
Other Receivables	**1,497,815**	**1,221,528**
Advance payments to suppliers	144,063	101,394
Staff	12,777	18,343
Debtors by accrued income – Interest		1,995
Debtors by accrued income – Subsidies	85,605	225,910
Debtors by accrued income – Other	753,658	419,597
Other Debtors	501,726	454,302
Accumulated impairment losses - Other debtors	-14	-14
Total	**31,596,649**	**32,062,070**

24.2 - DISCLOSURE OF INFORMATION ON CAPITAL

CARRYING AMOUNT AND OPERATIONS IN THE PERIOD EUR

Description	31/12/2020	31/12/2019
Equity		
Subscribed Capital	10,000,000	10,000,000
Other equity instruments		4,653
Legal reserves	2,281,000	2,305,598
Other Reserves	18,876,346	17,435,577
Environmental responsibility reserve	100,000	100,000
Other Reserves	18,776,346	17,335,577
Retained Earnings	-2,388,455	-1,324,001
Revaluation surpluses	12,207,444	7,618,370
Adjustments/Other Changes in Equity	237,312	207,861
Consolidated net income for the financial year	7,361,265	3,170,640
Non-controlling interests	585,356	536,525
Total	**49,160,267**	**39,955,222**

24.3 - DISCLOSURE OF INFORMATION ON DEFERRALS

CARRYING AMOUNT EUR

Description	Total	
	2020	2019
Deferrals		
Assets		
Expenses to be recognised – Interest	6,318	6,227
Expenses to be recognised – Insurance	14,878	60,898
Expenses to be recognised – Moulds owned by customer	129,350	35,661
Expenses to be recognised – Protection items	3,628	8,491
Expenses to be recognised – Marketing items	43,362	22,515
Expenses to be recognised – Gift items	467	467
Expenses to be recognised – Services in transit	53,392	52,559
Expenses to be recognised – Investments in transit	11,674	420
Expenses to be recognised – Other	37,907	239,429
Total	**300,977**	**426,667**
Liabilities		
Income to be recognised – Moulds	33,573	69,189
Income to be recognised – Other	51,101	46,792
Total	**84,674**	**115,980**

24.4 - DISCLOSURE OF INFORMATION ON THE STATE AND OTHER PUBLIC ENTITIES

STATE AND OTHER PUBLIC ENTITIES EUR

Description	Total 2020	Total 2019
State and other public entities Assets		
Income Tax	784,056	1,351,834
Value-added tax	484,876	490,156
Social Security contributions	402	
Other levies	44,263	
Total	**1,313,597**	**1,843,394**
Liabilities		
Income Tax	4,829	88,944
Withheld income taxes	420,783	152,613
Value-added tax	18,204	126,377
Other taxes	212	140,039
Social Security contributions	454,748	255,086
Other levies	249	12
Total	**899,024**	**763,072**

24.5 - DISCLOSURE OF INFORMATION ON IMPAIRMENTS

IMPAIRMENT LOSSES IN CURRENT ASSETS IN 2020 EUR

Description	Impairment losses for the year	Reversals of impairment losses	Accumulated
Receivables from customers	151,435	38,578	929,786
Other receivables			14
Inventories - goods	5,409	19,073	95,715
Inventories – raw materials	37,013		144,990
Inventories – finished products	229,344	133,665	330,226
Total	**423,201**	**191,316**	**1,500,730**

IMPAIRMENT LOSSES IN CURRENT ASSETS IN 2019

Description	Impairment losses for the year	Reversals of impairment losses	Accumulated
Receivables from customers	131,107	56,649	823,299
Other receivables	14	20,000	14
Inventories - goods	109,379	274,441	109,379
Inventories – raw materials	107,977	107,341	107,977
Inventories – finished products	234,548	214,304	234,548
Total	**583,024**	**672,735**	**1,275,216**

24.6 - FINANCIAL ASSETS AND LIABILITIES

INFORMATION CONCERNING FINANCIAL ASSETS AND LIABILITIES IN 2020 EUR

Description	Measured at fair value through profit and loss	Measured amortised cost	Measured at cost	Accumulated impairment
Financial assets:				
Customers			16,385,844	928,556
Other Receivables			1,497,815	14
Financial Liabilities:				
Suppliers			8,806,850	
Advance Payments from Customers			89,056	
Financing Received		862,277	14,740,500	
Other payables			4,817,084	

INFORMATION CONCERNING FINANCIAL ASSETS AND LIABILITIES IN 2019 EUR

Descriptio	Measured at fair value through profit and loss	Measured amortised cost	Measured at cost	Accumulated impairment
Financial assets:				
Customers			16,670,817	2,048 885
Other Receivables			1,221,528	14
Financial Liabilities:				
Suppliers			9,901,151	
Advance Payments from Customers			65,980	
Financing Received		835,532	20,407,793	
Other payables			4,202,595	

25. DISCLOSURE OF INFORMATION ON EXTERNAL SUPPLIES AND SERVICES

EXTERNAL SUPPLIES AND SERVICES EUR

Description	Total	
	31/12/2020	31/12/2019
Subcontracts	**1,932,149**	**2,162,377**
Specialised work	1,368,726	1,373,803
Advertising and publicity	530,733	1,387,323
Surveillance and security	111,783	98,794
Fees	69,838	115,941
Commissions	731,892	680,536
Maintenance and repairs	964,029	1,407,174
Others	599,715	345,744
Total specialised services	**4,376,716**	**5,409,315**
Fast-wear tools and utensils	204,612	294,859
Technical books and documents	2,271	1,544
Office supplies	15,729	20,016
Gift items	49,988	65,861
Others	61,018	66,879
Total materials	**333,619**	**449,158**
Electricity	949,324	1,271,715
Fuel	92,453	130,798
Water	32,965	28,324
Others	8,797	7,371
Total energy and fluids	**1,083,538**	**1,438,207**
Travels and accommodation	243,506	781,591
Transport of goods	4,094,477	4,035,769
Total transportation, travels and accommodation	**4,337,983**	**4,817,360**
Rents and leases	307,980	315,692
Communication	63,073	98,440
Insurance	322,628	347,151
Royalties	279	3,307
Legal services	3,974	7,985
Representation expenses	248,365	899,328
Cleaning, hygiene and comfort	149,655	129,246
Other services	28,395	242,428
Total miscellaneous services	**1,124,348**	**2,043,576**
Total external supplies and services	**13,188,353**	**16,319,994**

26. DISCLOSURE OF INFORMATION ON STAFF COSTS

STAFF COSTS EUR

Description	Total 31/12/2020	Total 31/12/2019
Staff costs	**17,457,639**	**17,322,868**
Remuneration of governing bodies	1,162,958	890,660
Of which: Profit sharing	475,147	212,104
Staff remuneration	11,477,220	11,627,992
Indemnities	276,961	68,155
Charges on remunerations	2,797,960	2,839,333
Insurance against work accidents and occupational diseases	119,440	123,386
Employee benefit costs	207,168	242,257
Other staff costs	1,415,931	1,531,086
Of which:		
Temporary work	1,140,509	1,223,691
Training costs	70,984	118,276

27. DISCLOSURE OF INFORMATION ON OTHER INCOME

OTHER INCOME EUR

Description	Total 2020	Total 2019
Supplementary income	1,301,302	1,548,352
Cash payment discounts granted	53,801	59,470
Debt recovery	2,349	5,087
Gains on inventories	5,017	4,734
Income and gains on other financial assets	6,385	33,020
Income and gains on non-financial investments	41,145	43,235
Other income and gains on non-financial investments	6,915	1,067
Other	633,548	1,167,713
Interest earned	23,748	26,077
Total	**2,074,208**	**2,888,754**

28. DISCLOSURE OF INFORMATION ON OTHER EXPENSES

OTHER EXPENSES EUR

Description	Total	
	2020	2019
Taxes	147,954	119,712
Cash payment discounts granted	462,160	491,249
Bad Debt	14,137	20,875
Losses in Inventories	251,745	320,271
Expenses and Losses on Other Financial Investments	1	
Expenses and Losses on Non-financial Investments	3,183	71,721
Other Expenses		
Corrections regarding previous financial years	48,863	156,594
Donations	89,908	86,877
Contributions	44,877	46,628
Gifts and samples in Inventories	213,587	191,735
Underestimated taxes	1,230	113,040
Unfavourable exchange rate differences	81,503	20,403
Commissions and other bank expenses	59,101	54,404
Other	50,603	28,333
Total Other Expenses and Losses	**1,470 671**	**1,721 843**

29. DISCLOSURE OF INFORMATION ON INTEREST AND SIMILAR EXPENSES

INTEREST AND SIMILAR EXPENSES EUR

Items	Total	
	2020	2019
Interest Borne	285,183	307,035
Total Interest and Similar Expenses	**285,183**	**307,035**

30. LEGALLY REQUIRED DISCLOSURES

Articles 66-A and 508-F of the Commercial Companies Code and Ordinance 208/2007, of 16 February, which creates the IES - simplified business information, require disclosure of information that we will report on below:

30.1 - INFORMATION ON GUARANTEES PROVIDED

Bank guarantees **EUR**

Guarantees provided	Beneficiary	Amount
Caixa Geral de Depósitos	APCMC	16,000

The parent company granted several guarantees to its subsidiary OLI Moldes Lda. for a total amount of € 3,500,000, relating to several short-, medium- and long-term bank loans taken out with various credit institutions, the last one ending on 18/12/2028.

30.2 - INFORMATION ON SALES BY MARKET

SALES AND SERVICES PROVIDED BY ACTIVITY AND BY GEOGRAPHIC MARKET EUR

Description	Commercial	Property	Total	Commercial	Property	Total
Portugal	4,899,675	9,007,796	**13,907,471**	4,898,315	9,224,393	**14,122,709**
Others	4,206,338	52,841,001	**57,047,339**	2,966,516	53,611,696	**56,578,212**
Total	**9,106,013**	**61,848,797**	**70,954,810**	**7,864,832**	**62,836,090**	**70,700,921**

30.3 - INFORMATION ON FEES BILLED

Article 508(F) of the Commercial Companies Code requires the disclosure of the services rendered by the Statutory Auditor

FEES BILLED BY STATUTORY AUDITORS EUR

	Description	2020	2019
66(A) 508(F)	Statutory Audit	21,301	21,856
Totals		**21,301**	**21,856**

Certified Accountant

Board of Directors

XIII. REPORT AND OPINION OF THE SUPERVISORY BOARD - CONSOLIDATED ACCOUNTS

Dear Shareholders,

In accordance with the law, the company's articles of incorporation and the mandate granted to us, we hereby submit to your assessment our Report on the Supervisory Activity and our Opinion on the Management Report and Consolidated Financial Statement prepared by the Board of Directors of OLI - Sistemas Sanitários, S A, for the financial year ended 31 December 2020.

REPORT

1. In fulfilment of the mandate granted to us, and in the performance of our legal and statutory duties, we have found that the preparation of the consolidated financial statements followed all applicable accounting principles and consolidation rules.

2. In the performance of our duties we have specifically verified the following:
2.1 that the individual financial statements included in the consolidation were properly examined, and that all clarifications deemed necessary have been obtained;
2.2 that the consolidation operations were adequately handled;
2.3 that the accounting policies adopted were appropriate and duly explained in the Notes and result in an accurate evaluation of the Group's assets and earnings.
2.4 that the Management Report on the consolidated accounts, prepared in accordance with the Companies Code and all other applicable legislation, is sufficiently clear and highlights the most significant aspects.

3. The Supervisory Board closely followed the work of Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda., as well as the Statutory Audit on the Consolidated Accounts it produced, and considers that the Consolidated Financial Statements present, in a true and appropriate manner and in all material aspects, the financial position of Grupo OLI – Sistemas Sanitários, S.A., as of 31 December 2020 and the consolidated result of its operations, changes in consolidated equity and consolidated cash flows for the year then ended, in compliance with the Accounting and Financial Reporting Standards of the Portuguese Accounting Normalisation System.

OPINION

In view of the above, taking into consideration that the consolidated financial statements and the report of the Board of Directors, together with the unmodified Statutory Audit to the consolidated accounts satisfy the legal and statutory provisions, reflecting the Group's financial position and results for the year, and not having become aware of any violation of the law and the articles of association, we are of the opinion that the Annual General Meeting should approve the Management Report, as well as the Consolidated Financial Statements, presented by the Board of Directors for FY 2020.

Aveiro, 05 May, 2021 The

Supervisory Board

João Paulo Araújo Oliveira - Chairman

Carlos Manuel Tavares Breda - Member

José António Marques Pereira - Member

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.
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STATUTORY AUDITOR'S REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Oli – Sistemas Sanitários, S.A**. (the Group), which comprise the consolidated balance sheet as at 31 December 2020 (showing a total of 80.772.278 euros and a total net equity of 49.160.267 euros, including a net profit of 7.361.265 euros), and the consolidated income statement by nature, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section below. We are independent of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System;
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and

Inscrição na C. R. C. e NIPC 510413900 - Capital Social 5 800 € - SROC n.º 277 - OROC

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Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda.

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- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements.

Aveiro, May 4, 2021

Jorge Silva, Neto, Ribeiro & Pinho, Sroc, Lda., represented by
António Rodrigues Neto
Statutory Auditor n.º 857 OROC and CMVM n.º 20160480

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XV. TABLE OF CONTENTS

GRI

General standard contents	Description	Pages	Comments
Strategy and Analysis			
G4-1	Message from the Senior Management	5	
G4-2	Risks and opportunities resulting from the sustainability trend	12-15	
Organisational Profile			
G4-3	Name of the organisation	4	
G4-4	Main products and services	8	
G4-5	Location of the organisation's registered office	4	
G4-6	Countries where it operates	9	
G4-7	Type and legal nature of ownership	4	
G4-8	Represented markets	17-19	
G4-9	Size of the organisation	7	
G4-10	Total number of employees by employment contract and gender	28-31	
G4-11	Percentage of employees covered by collective bargaining agreements	28-31	
G4-12	Supply chain	8	
G4-13	Main changes during the reporting period		There were no significant changes in the organisation during the period under analysis.
G4-14	Risk Management	12-15	
G4-15	Charters, principles or other external initiatives on economic, environmental and social issues that the company subscribes to or endorses	50	
G4-16	External Initiatives and Associations	27	
Material Aspects and Limits			
G4-17	Scope of the Report	4	
G4-18	Process for outlining the report's content and limits	4	
G4-19	List of material aspects identified		Not applicable
G4-20	Identification of material aspects within the organisation and their limits		Not applicable
G4-21	Identification of material aspects outside the organisation and their limits		Not applicable
G4-22	Effects of any restatements of information provided in previous reports and the reasons for such restatements		OLI decided to merge the sustainability report with the annual report and accounts.

General standard contents	Description	Pages	Comments
G4-23	Significant changes compared to previous years in terms of scope and limits		No significant changes have been made.
Engagement with stakeholders			
G4-24	List of the organisation's stakeholders	50-51	
G4-25	Basis for identifying key stakeholders	50-51	
G4-26	Ways of consulting with stakeholders	50-51	
G4-27	Key topics and concerns raised through stakeholder consultation, and how the organisation has responded to those topics and concerns	50-51	
Report Profile			
G4-28	Period covered by the report	4	
G4-29	Date of the latest report		2018
G4-30	Reporting cycle		Annual
G4-31	Contact details for questions regarding the report or its contents		geral@oli-world.com
G4-32	Application level, GRI table of contents, reference to external verification report	154-157	
G4-33	Policy and procedure with regard to the external verification of the report		No external verification was performed.
Governance			
G4-34	Governance	45-49	
G4-37	Stakeholders	50-51	
Ethics and Integrity			
G4-56	Corporate Mission, Values and Principles	10	
Management Methods			
G4-DMA	Production	8-9	
	Innovation	25	
	Strategic Axes	10	
ECONOMIC CATEGORY			
Economic Performance			
G4-EC1	Economic and Financial Indicators	17-23	
G4-EC4	Economic and Financial Indicators	17-23	

General standard contents	Description	Pages	Comments
ENVIRONMENTAL CATEGORY			
Materials			
G4-EN1	Manufacturing process Performance evaluation	38-43	
G4-EN2	Performance evaluation	38-43	
Energy			
G4-EN3	Performance evaluation	38-43	
Water			
G4-EN8	Performance evaluation	38-43	
Biodiversity			
G4-EN11	Not applicable		
Emissions			
G4-EN15	Performance evaluation	38-43	
G4-EN16	Performance evaluation	38-43	
Effluents and Waste			
G4-EN23	Performance evaluation	38-43	
Products and Services			
G4-EN27	Not applicable		
Compliance			
G4-EN29	Not applicable		
Transports			
G4-EN30	Performance evaluation	38-43	
General			
G4-EN31	Not applicable		
Environmental Evaluation of Suppliers			
G4-EN32	Not applicable		
Mechanisms for complaints and grievances related to Environmental Impacts			

General standard contents	Description	Pages	Comments
G4-EN34	Not applicable		
SOCIAL CATEGORY			
Laboor Practices and Decent Work			
Employment			
G4-LA1	Total number of employees by gender and age	28-35	
Labour Relations			
G4-LA4	Not applicable		
Occupational Health and Safety			
G4-LA6	Occupational Health and Safety	28-35	
Training and Education			
G4-LA9	Number of training hours	28-35	
Diversity and Equal Opportunities			
G4-LA12	Importance of people to OLI	28-35	
Equal pay between genders			
G4-LA13	Not applicable		
Supplier evaluation regarding labour practices			
G4-LA14	Not applicable		
Mechanisms for complaints and grievances related to labour practices			
G4-LA16	Not applicable		
Human Rights			
	Not applicable		
Society			
	Not applicable		
Product liability			
G4-PR5	Product liability		

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