AMORIM

CORTICEIRA AMORIM CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2021

First half 2021 (1H21) (Audited)
Second quarter 2021 (2Q21) (Non audited)

Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails

Dear Shareholders,
In accordance with the law, CORTICEIRA AMORIM, S.G.P.S., S.A., a public company, presents its:

CONSOLIDATED MANAGEMENT REPORT

1. SUMMARY OF ACTIVITY

Despite the coronavirus pandemic, in the second quarter of 2021 the world economy consolidated the growth observed in the previous three months. This reflected the lifting of confinement measures and expectations of a robust recovery in economic activity. Financial markets evolved positively, with historic highs in some segments.

COVID-19 vaccination programmes accelerated during the period, especially in western countries. Israel, the UK and the US led the vaccination effort. Europe remained slightly behind, but its performance gradually improved towards the end of the quarter as new variants and infectious episodes appeared in different regions. Internationally, the situation varies from region to region in this regard, being unfavourable in most of the rest of the world, where immunisation programmes have been significantly slower.

Economic growth reflected these developments, as well as comparison with the same period of the previous year, when large areas of activity were heavily penalised. The quarter was also characterised by growing concerns about the impact of higher energy, shipping and electronic component costs on inflation, augmented by breakdowns in, or the reduced efficiency of international supply chains. This continuous stopping and starting led to a serious destabilisation of supply chains.

The US economy is estimated to have grown by about 9.0% in the second quarter compared with the same period of 2020 (6.6% compared with first quarter of 2021), potentially having recovered fully from the losses caused by the pandemic. The Eurozone economy grew by about 1.3% in the second quarter after contracting in the first three months. The year-on-year comparisons are expressive as they reflect the contrast with a period of 2020 when business activity was severely limited.

For Corticeira Amorim, as for economic agents in general, the second quarter of 2021 was the first to be comparable with a quarter of the previous year that was wholly impacted by the consequences of the COVID-19 pandemic.

The Group's increase in consolidated sales in the second quarter, +24.4%, demonstrates a recovery from the loss of sales recorded in 2020. In the first half, the increase in sales was 10.7% (remember that the sales decreased 2.0% in the first quarter). In relation to the same period of 2019 sales were up 5.1%.

Corticeira Amorim's sales at the end of the semester totalled €433.3 million. This increase reflected the early impact of a reduction in the restrictive measures implemented by different countries to contain the spread of the COVID-19 pandemic, restrictions that had profound consequences for global economies and consumption patterns. The climate remains uncertain, however, and is only likely to stabilise when the ongoing vaccination processes have been shown to be effective.

The exchange rate effect (related to the depreciation of the US dollar) has penalised sales -excluding this effect, sales would have increased 12.5% in the first half.

All Business Units (BUs) posted an increase in sales, with the Raw Materials BU (+0.6%), which mainly sells within the Group, being the only one that showed little growth compared with the same period of the previous year. The Cork Stoppers (+11.3%), Composite Cork (+14.9%), Floor and Wall Coverings (+7.7%) and Insulation (+20.6%) BUs succeeded in reversing the downward sales trend observed at the end of 2020 and achieved robust growth.

EBITDA increased 17.2% to €77.3 million, resulting in an EBITDA-sales ratio of 17.8%, a significant increase in comparison with the same period of 2020 (16.8%). Despite the favourable impact of a decrease in the price of cork used in manufacturing, a more positive evolution of evolution of the ratio was limited by the exchange rate effect, lower cork yields, a less favourable product mix, higher prices for some non-cork raw materials and a significant increase in transport costs.

After results attributable to non-controlling interests, net income totalled €39.4 million, an increase of 15.1% compared with the same period of 2020.

2. OPERATING ACTIVITIES - FIRST HALF 2021

Sales by the **Raw Materials BU** were stable (+0.6%) compared with the same period of 2020. In the context of significant sales growth for the Group's downstream BUs, this stability mainly reflected a realignment of inventory levels by those BUs as well as sales to third parties.

EBITDA totalled €9.5 million, an increase of 8.1% compared with the same period of 2020 (€8.7 million). The increase in the EBITDA margin (from 8.7% to 9.4%) reflected a reduction in the consumption price of cork and increased efficiency (including an increase in volumes produced). This more than offset the increase in costs (namely electricity, transport, maintenance and repairs).

The 2021 cork purchasing campaign is proceeding as planned in terms of prices and volumes, with no significant impact resulting from the pandemic. Price adjustments were limited after two years of significant changes. In comparative terms, the purchase price of better quality cork increased.

The important acquisition of 50% of Cold River's Homestead, S.A., which owns a group of assets related to Herdade do Rio Frio, was made in order to continue the Group's Forest Intervention Project. The strategic objectives of the project are to ensure the maintenance, preservation and enhancement of cork oak forests and guarantee the continuous production of high quality cork.

Sales by the **Cork Stoppers BU** totalled €311.3 million in the first half, up 11.3% on the same period of 2020 and accounting for 70% of Corticeira Amorim's total consolidated sales. Sales in the second quarter increased 26.7%. At constant exchange rates, the increase would have been 28.5%.

The BU benefited from a strong recovery in volume sales, which was the most important driver of overall sales growth. Sales increased in all segments and in all geographic regions, with Europe being the main driver of growth. Sales of Neutrocork stoppers continued to grow significantly following strong growth in 2020.

The BU's EBITDA rose to €58.5 million (+7.7% y-o-y). The EBITDA margin decreased to 18.8% (1H20: 19.4%). Sales benefited from volume growth and more favourable cork consumption prices. The weakness of the dollar, the prices of some non-cork raw materials, transport costs and lower grinding yields were the main causes of the decrease in the EBITDA-sales ratio. At constant exchange rates, the EBITDA margin would have been 19.5%, slightly above that of the same period of 2020.

Sales by the **Floor and Wall Covering BU** totalled €63.5 million, an increase of 7.7% compared with the same period in 2020. Although sales of trading products grew faster than those of manufactured products, the Amorim

WISE product range and the BU's recently launched products continued to perform positively, the former with sales of €6.9 million (1H20: €6.3 million) and the latter with sales totalling €6.8 million (1H20: €5.3 million).

The North American and Scandinavian markets continued to perform positively. Germany was negatively impacted by company closures made at the beginning of the year as a result of measures to combat COVID-19.

The BU's EBITDA totalled €4.0 million, up from €1.0 million in the same period of 2020. The EBITDA margin rose from 1.8% to 6.3% over the same period. A consistent reduction in operating costs, the result of efforts to restructure and lower the break-even level, together with a reduction in the purchasing price of cork, supported an increase in the BU's profitability, despite a significant increase in transport costs and in the prices of some non-cork raw materials. The decrease in impairment levels is another positive factor that merits highlighting.

Sales by the **Composite Cork BU** totalled €57.7 million, an increase of 14.9% compared with the same period of 2020 (€50.2 million). Sales grew in most markets, driven mainly by a recovery in segments that were heavily penalised in 2020 (due to the temporary closure of customer operations as a result of the pandemic) and a return to normal activity following the turbulence caused by the SAP implementation.

Sales growth was strongest in the Footwear, Cork Specialists and Heavy Construction segments, which had been significantly penalised in 2020 by the temporary closure of some of the BU's customers.

The recently created joint ventures (Amorim Sports and Corkeen) along with new products and applications continued to show dynamic growth, contributing sales totalling €2.7 million and €4.8 million respectively.

First-half EBITDA totalled €5.2 million. The EBITDA margin rose to 9.0% (1H20: 8.1%). Despite the unfavourable exchange rate environment and a significant increase in the cost of some non-cork raw materials, the improvement in profitability reflects robust sales growth, the lower cost of cork used in manufacturing and better grinding yields, At constant exchange rates, the BU's sales would have increased by 18.8% and the EBITDA margin would have been 12.1%.

Sales by the **Insulation BU** totalled €7.2 million, an increase of 20.6% compared with the same period of 2020 mainly driven by an increase in sales volumes. US dollar depreciation negatively impacted sales. Excluding this effect, sales would have grown 21.4%. Turnover was driven by a recovery of activity in the BU's most important markets, namely France, Portugal and Italy.

EBITDA totalled €1.4 million (1H20: -€13,000) and the EBITDA-sales ratio was 19.2% (1H20: -0.2%). In addition to the one-off impact of pile closures, other factors contributing to this growth included a reduction in the cost of cork used in manufacturing, improved industrial efficiency, lower operating costs and a reduction in impairments.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

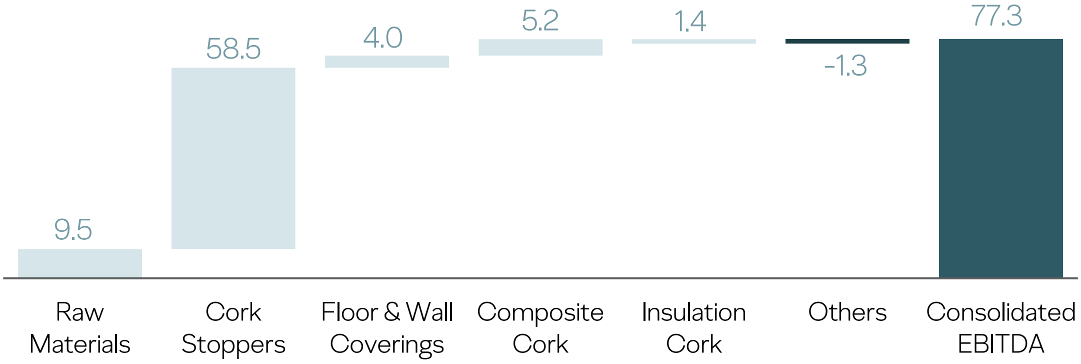
The increase in the Group's sales did not result from the change in the consolidation perimeter. Corticeira Amorim's sales in the first half of 2020 were significantly impacted by the COVID-19 pandemic. As mentioned above, the first half of 2021 saw a recovery from the sales losses verified in the same period of 2020, as well as a 5.1% increase compared with the first six months of 2019.

The change in the gross profit margin percentage, which decreased from 52% to 50%, reflects the unfavourable exchange rate effect and an increase in the consumption price of non-cork materials, factors that were partially offset by the reduction in cost of cork used in manufacturing.

In terms of operating costs, the increase of about €2.2 million in staff costs (+3.0%) compared with the same period of 2020 was mainly due to an increase in the average number of male and female employees in response to increased activity. External supply and services costs remained practically unchanged (+0.2%). The increase in transport costs (+6.3%) was offset by a reduction in energy costs (-2.3%). The reversal of impairments, which had a positive impact of €2.6 million, mainly involved accounts receivable, particularly at the Amorim Cork Flooring and Amorim Cork Italy subsidiaries.

In terms of other operating income/cost items that impact EBITDA, a favourable balance of about €0.6 million was recorded. The impact of exchange rate differences on assets receivable and liabilities payable, together with the respective foreign exchange hedging measures included under other operating income/gains was negative in the amount of about €0.7 million (1H20: +€0.1 million).

EBITDA increased 17.2% to €77.3 million. The EBITDA-sales ratio was 17.8% (1H20: 16.8%).



No non-recurring earnings were recorded in this six-month period. In the first half of 2020, non-recurring costs totalling €1.7 million, resulting from compensation for restructuring operations, were recognised.

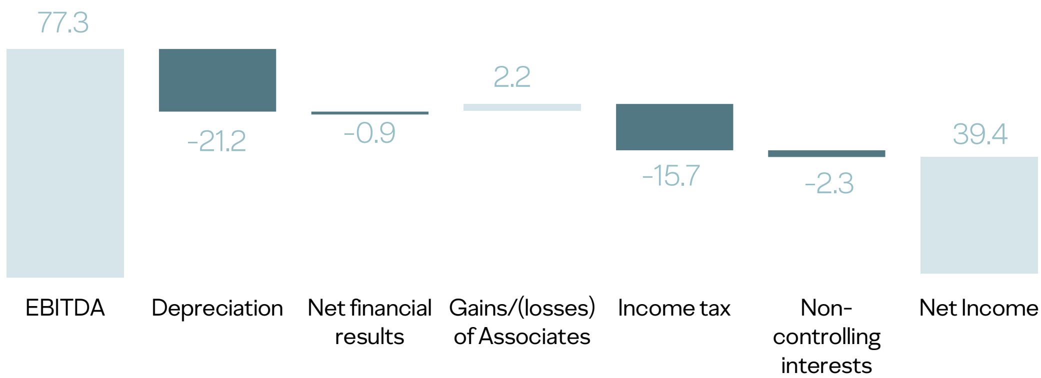
Financial results fell 12.6% compared with the same period of 2020, reflecting a reduction in average indebtedness.

Income from associate companies totalled €2.2 million. The increase compared with the same period of 2020 (1H20: €1.3 million) resulted mainly from an increase in the contribution made by Vinolok (from €1.0 million to €1.4 million).

As normal, it will only be possible to estimate the amount of 2021 investment tax benefits (RFAI and SIFIDE) at the end of the year. As a result, the potential tax gain will only be recorded at the closing of accounts for 2021. In the first half of 2021 the definitive decisions relating to SIFIDE benefits in 2019 were announced and the final amount of tax due for 2020 calculated.

After tax on earnings of €15.7 million and the allocation of profits to non-controlling interests, total net income attributable to Corticeira Amorim shareholders totalled €39.4 million, an increase of 15.1% compared with earnings of €34.3 million in the first half of 2020.

Earnings per share were €0.296, compared with €0.258 for the first half of 2020.



In regard to the Group’s financial position, total net assets increased €68 million in comparison with December 2020. In terms of individual items, the increases in the following items: customers (€50 million), cash and cash equivalents (€33 million), other debtors (€19 million) and financial holdings (€18 million) merit highlighting. The increase in the investments in associates item was mainly due to the acquisition of 50% of Cold River’s Homestead, S.A., as previously mentioned. Inventories decreased by €47 million, reflecting the implementation of measures to improve inventory management and the impact of the reduction in the price of cork in recent purchasing campaigns. Changes in the remaining items were residual.

The change in equity reflects the net earnings for the period (€39.4 million), the payment of dividends (€24.6 million) and the change in non-controlling interests (€1.8 million).

Liabilities increased by €50 million. Interest-bearing loans decreased €24 million. Other items of note were the increases in Suppliers (€51 million), which reflects a partial seasonal effect, and income tax (€11 million).

At the end of June 2021, the Group’s shareholder equity totalled €595 million. The financial autonomy ratio rose to 55.4%.

Corticeira Amorim's robust balance sheet, together with the support of financial institutions, ensure an adequate and balanced capital structure.

4. KEY CONSOLIDATED INDICATORS

		1H 20	1H 21	Change	2Q 20	2Q 21	Change
Sales		391,577	**433,318**	10,7%	187,916	**233,730**	24.4%
Gross Margin – Amont		203,775	**215,485**	5.7%	98,112	**115,666**	17.9%
Gross Margin/Production		50.8%	**51.5%**	+ 0.7 p.p.	51.7%	**50.3%**	-1.4 p.p.
Gross Margin/Sales		52.0%	**49.7%**	-2.3 p.p.	52.2%	**49.5%**	-2.7 p.p.
Current operational costs		156,330	**159,410**	2.3%	77,238	**81,537**	5.6%
Current EBITDA		65,945	**77,270**	17.2%	30,177	**45,146**	49.6%
EBITDA/Sales		16.8%	**17.8%**	+ 1.0 p.p.	16.1%	**19.3%**	+ 3.3 p.p.
Current EBIT		47,445	**56,075**	18.2%	20,874	**34,129**	63.5%
Non-recurring earnings	3)	- 1,652	-	n.s.	- 1,652	**-**	n.s.
Net profit		34,272	**39,432**	15.1%	14,396	**23,463**	63.0%
Net profit per share		0.258	**0.296**	15.1%	0.108	**0.176**	63.0%
Net remunerated debt		115,625	**53,243**	62,382	-	**-**	-
Net remunerated debt/EBITDA (x)	1)	0.94	**0.40**	-0.55 x	-	**-**	-
EBITDA/net interest (x)	2)	107.0	**207.0**	100.01 x	103.9	**212.7**	108.77 x

1) Considering the current EBITDA of the last four quarters

2) Net interest includes the amount of interest paid on loans deducted from interest on investments (excluding stamp duty and commissions).

3) The amounts refer to restructuring expenses.

5. OUTLOOK FOR THE SECOND HALF

Compared with the first quarter of 2020, which was practically unaffected by the pandemic, Corticeira Amorim's activities were significantly impacted in the first three months of 2021.

In terms of expenditure on transport and subsidiary materials, despite the expectation of a relief from increase prices pressure, a return to previously verified levels is not expected. As it is not expected that, in the short term, the upward trend in prices in the energy market, which was accentuated at the end of the semester, will be reversed. The magnitude of this increase could penalize output levels for the second half of the year.

As previously mentioned, a clear tendency towards a recovery in the Group's activity was observed in the second quarter of 2021. In the context of the COVID-19 pandemic, the outlook for the remaining quarters of 2021 is for a continuing recovery, although some constraints may arise from the need to implement additional containment measures due to new variants of the virus as well as the evolution and possible extension of ongoing vaccination processes.

6. BUSINESS RISKS AND UNCERTAINTIES

Over the course of its 150-year history, Corticeira Amorim has successfully confronted several profound social transformations. The current COVID-19 pandemic is the most recent of these challenges and, as always, the company will seek to turn challenges into opportunities. Corticeira Amorim, like all other economic agents, continues to operate in the uncertain economic climate that is affecting global markets:

The risks and uncertainties described in the annual report continue to apply. At the end of the first half of 2021, the following aspects should be highlighted:

- Having secured the necessary cork supplies for the coming year, Corticeira Amorim will continue to respond without interruption to the needs of its customers across the world by at all times adopting the best and most appropriate practices. The company's diversification policy and practices (not a single product, not a single market, not a single currency) ensure additional balance;

- The exchange rate volatility that affected the euro and the dollar in the first half of 2021 is a source of uncertainty that continues to affect the prospects for Corticeira Amorim's performance.

Corticeira Amorim's activities are exposed to a variety of financial risks: market risks (including exchange rate and interest rate risks), credit risks, liquidity risks and capital risks. The Company's objectives and policies in terms of managing these risks, including the coverage policies for each of the main forecast transaction categories for which coverage accounting is applied, and the exposure to pricing, credit, liquidity and cash flow risks are duly set out in the Note on "Managing Financial Risks" included in the Notes to the Consolidated Accounts.

7. OWN SECURITIES

During the first half of 2021, CORTICEIRA AMORIM did not acquire or dispose of any treasury shares.

As of June 30, 2021, CORTICEIRA AMORIM held no treasury shares.

8. SHAREHOLDERS' EQUITY

List of shareholders owning qualifying holdings as of the date this report was concluded:

Shareholder	Shares Held (quantity)	Holding (%)	Voting Rights (%)
Qualifying Holdings:			
Amorim Investimentos e Participações, S.A.	67 830 000	51.000%	51.000%
Amorim, Soc. Gestora de Participações Sociais, S.A.	13 414 387	10.086%	10.086%
A Porta da Lua, S..A.. *(a)*	8 290 767	6.234%	6.234%
API – Amorim Participações Internacionais, S.A. *(a)*	2 717 195	2.043%	2.043%
Vintage Prime – SGPS, S.A. *(a)*	2 717 195	2.043%	2.043%
Freefloat (b)	38 030 456	28.594%	28.594%
Total	**133 000 000**	**100.000%**	**100.000%**

(a) As a result of the dissolution and subsequent liquidation of Great-Prime, SA, the 13,725,157 shares representing the share capital and voting rights of Corticeira Amorim, SGPS, SA that it owned were

distributed among its three shareholders as shown in this table (in accordance with the statement made on July 13, 2021);

(b) *Includes 3,045,823 shares (2.29%) held by investment funds managed by Santander Asset Management, SA, SGIIC (communication received by the company on June 6, 2019).*

Shareholder Amorim Investimentos e Participações, SGPS, S.A. *(c)*	**Shares Held**	**% of Share capital with voting rights**
Directly	67 830 000	51.000%
Total attributable	**67 830 000**	**51.000%**

(c) The voting shares in Amorim Investimentos e Participações, SGPS, SA are wholly owned by three companies, Amorim Holding Financeira, SGPS, SA (11.392%), Amorim Holding II, SGPS, SA (38.608%) and Amorim - Sociedade Gestora de Participações Sociais, SA (50%)) without any of them having a controlling interest in the company, thus ending the imputation chain, pursuant to Art. 20 of the Cod.VM. The share capital and voting rights of these three companies, in turn, are held, respectively, in the case of the first two, directly and indirectly (through Imoeuro SGPS, SA and Oil Investment, BV) by Mrs. Maria Fernanda Oliveira Ramos Amorim and daughters, and, in the case of the third, by Mr. António Ferreira de Amorim, wife and children.

Shareholder A Porta da Lua, S.A.	**Shares Held**	**% of Share capital with voting rights**
Directly	8 290 767	6.234%
Total attributable	**8 290 767**	**6.234%**

Maria Fernanda Oliveira Ramos Amorim	**Shares Held**	**% of Share capital with voting rights**
Directly	-	-
Através da Shareholder A Porta da Lua, S.A. *(d)*	8 290 767	6.234%
Total attributable	**8 290 767**	**6.234%**

(d) The share capital of A Porta da Lua, S.A. is fully held by Maria Fernanda Oliveira Ramos Amorim.

Marta Cláudia Ramos Amorim Barroca de Oliveira	**Shares Held**	**% of Share capital with voting rights**
Directly	-	-
Através da Shareholder API – Amorim Participações Internacionais, S.A.. *(e)*	2 717 195	2.043%
Total attributable	**2 717 195**	**2.043%**

(e) The share capital of API – Amorim Participações Internacionais, S.A. is wholly owned by Marta Cláudia Ramos Amorim Barroca de Oliveira.

Luisa Alexandra Ramos Amorim	**Shares Held**	**% of Share capital with voting rights**
Directly	-	-
Através da Shareholder Vintage Prime – SGPS, S.A.. *(f)*	2 717 195	2.043%
Total attributable	**2 717 195**	**2.043%**

(f) The share capital of the company Vintage Prime – SGPS, S.A. is fully held by Luisa Alexandra Ramos Amorim.

Shareholder **Amorim, Sociedade Gestora de Participações Sociais, S.A.** *(g)*	Shares Held	% of Share capital with voting rights
Directly	13 414 387	10.086%
Total attributable	**13 414 387**	**10.086%**

(g) The capital of Amorim, Sociedade Gestora de Participações Sociais, S.A. is held by Mr. António Ferreira de Amorim and his wife and children, none of which holds a controlling interest in the company.

9. TRANSACTIONS BY DIRECTORS AND OFFICERS

In the first half of 2021, no transactions in the shares of CORTICEIRA AMORIM were made by its directors.

Following the dissolution and subsequent liquidation of Great-Prime, SA, as referred to in the previous point (note (a)), the following transactions were carried out, also on July 13, 2021, by persons closely related to directors, as communicated to the market on July 14, 2021:

a) Vintage Prime – SGPS, SA, a company wholly owned by Luisa Alexandra Ramos Amorim, a member of the Board of Directors of Corticeira Amorim (and also of Vintage Prime), now owns 2,717,195 shares representing 2.043% of the share capital and of the voting rights Corticeira Amorim;

b) API – Amorim Participações Internacionais, SA, a company in which Nuno Filipe Barroca Vilela de Oliveira, vice-chairman of the Board of Directors of Corticeira Amorim, holds the position of member of the Board of Directors, now owns 2,717,195 shares representing 2.043% of the share capital and voting rights of Corticeira Amorim.

No transactions of financial instruments related to securities issued by the Company have been made either by its managers, or by the companies that control CORTICEIRA AMORIM, or by persons closely related to them.

10. LIST OF SHAREHOLDERS OWNING MORE THAN ONE TENTH OF THE COMPANY'S SHARE CAPITAL

Considering the operation described in chapter 8. (a), on the date of issue of this report, the following shareholders held more than one tenth of the capital of Corticeira Amorim:

I. Amorim Investimentos e Participações, S.A. held 67,830,000 Corticeira Amorim shares, corresponding to 51% of its share capital and to 51% of the voting rights;
II. Amorim, Soc. Gestora de Participações Sociais, S.A. held 13,414,387 Corticeira Amorim shares, corresponding to 10.086% of its share capital and to 10.086% of the voting rights.

11. SUBSEQUENT EVENTS

As foreseen in the acquisition contract, an additional 10% of Bourrassé was purchased in July for €5 million, thus becoming the owner of 90% of Bourrassé.

Apart from the purchase described in the previous paragraph, no other relevant events that could materially affect the financial position or the future results of Corticeira Amorim, or the subsidiary companies that make up the consolidated group, occurred prior to the date of issue of this report.

12. STATEMENT OF RESPONSIBILITY

In accordance with the requirements of Section 246.1(c) of the Portuguese Securities Market Act, the directors state that, to the best of their knowledge, the first-half financial statements and all other accounting documents have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of CORTICEIRA AMORIM, SGPS, SA and the companies included in its consolidation perimeter. The directors further state that the Directors' Report faithfully describes the development, performance and position of CORTICEIRA AMORIM SGPS, S.A. and the companies in its consolidation perimeter. The Directors' Report contains a special section describing the main risks and uncertainties that could impact the Company's business in the next six months.

Mozelos, August 2, 2021

The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

António Rios de Amorim (Chairman)

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman)

Fernando José de Araújo dos Santos Almeida (Member)

Cristina Rios de Amorim Baptista (Member)

Luisa Alexandra Ramos Amorim (Member)

Juan Ginesta Viñas (Member)

José Pereira Alves (Member)

Marta Parreira Coelho Pinto Ribeiro (Member)

Cristina Galhardo Vilão (Member)

António Lopes Seabra (Member)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

thousand euros

	Notes	June 30, 2021	December 31, 2020	June 30, 2020
Assets				
Tangible assets	8	275 804	281 676	279 168
Intangible assets	9	17 701	16 170	10 103
Right of use	10	6 689	6 241	6 278
Goodwill	9	13 716	13 746	13 592
Biological assets		23	23	-
Investment property	11	5 353	5 403	5 343
Investments in associates and	12	42 008	24 046	23 385
Other financial assets		1 734	1 603	1 800
Deferred tax assets	13	13 341	14 672	15 172
Other debtors	15	3 422	3 405	3 327
Non-current assets		**379 792**	**366 986**	**358 168**
Inventories	14	317 121	364 109	364 132
Trade receivables		211 410	161 360	179 992
Income tax assets	13	3 460	4 838	5 918
Non current assets held for sale		618	0	0
Other debtors	15	55 164	35 724	71 107
Other current assets	15	3 445	2 402	4 073
Cash and cash equivalents	16	103 678	70 266	79 104
Current assets		**694 277**	**638 699**	**704 326**
Total Assets		**1 074 069**	**1 005 684**	**1 062 494**
Equity				
Share capital	17	133 000	133 000	133 000
Other reserves	17	393 600	352 382	350 441
Net Income		39 432	64 326	34 272
Non-Controlling Interest	18	28 729	26 948	28 886
Total Equity		**594 761**	**576 656**	**546 599**
Liabilities				
Interest-bearing loans	19	86 889	92 192	51 197
Other financial liabilities	21	21 938	21 436	26 346
Provisions	25	3 055	3 349	3 581
Post-employment benefits		2 082	2 068	1 724
Deferred tax liabilities	13	50 424	50 570	48 411
Non-current liabilities		**164 388**	**169 616**	**131 259**
Interest-bearing loans	19	70 032	88 791	143 531
Trade payables	20	161 461	110 402	138 643
Other financial liabilities	21	46 364	41 238	46 148
Dividend attributed	17	0	0	24 605
Other liabilities	21	24 032	17 216	23 487
Income tax liabilities	13	13 030	1 767	8 221
Current liabilities		**314 920**	**259 413**	**384 636**
Total Liabilities and Equity		**1 074 069**	**1 005 684**	**1 062 494**

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated income statement by nature

thousand euros

2Q21 (non audited)	2Q20 (non audited)		Notes	1H21	1H20
233 730	187 916	Sales	7	433 318	391 577
-114 266	-91 653	Costs of goods sold and materials consumed		-202 879	-197 637
-3 798	1 850	Change in manufactured inventories		-14 954	9 835
-34 242	-33 726	Third party supplies and services		-65 557	-65 415
-38 914	-35 327	Staff costs		-75 507	-73 304
710	249	Impairments of assets	22	1 347	-1 251
3 466	1 639	Other income and gains		5 105	5 221
-1 539	-770	Other costs and losses		-3 602	-3 080
45 146	**30 177**	**Operating Cash Flow (current EBITDA)**		**77 270**	**65 945**
-11 016	-9 303	Depreciation	8, 9, 10, 11	-21 194	-18 500
34 129	**20 873**	**Operating Profit (current EBIT)**		**56 075**	**47 445**
-	-1 652	Non-recurrent results	23	-	-1 652
-482	-549	Financial costs		-958	-1 230
16	31	Financial income		32	170
1 561	-246	Share of (loss)/profit of associates and joint-ventures	12	2 242	1 302
35 224	**18 459**	**Profit before tax**		**57 391**	**46 036**
-10 591	-3 646	Income tax	13	-15 659	-10 078
24 634	**14 811**	**Profit after tax**		**41 733**	**35 958**
-1 172	-416	Non-controlling Interest	18	-2 301	-1 687
23 462	**14 396**	**Net Income attributable to the equity holders of Corticeira Amorim**		**39 432**	**34 271**
0.176	**0.108**	**Earnings per share - Basic e Diluted (euros per share)**		**0.296**	**0.258**

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated statement of comprehensive income

thousand euros

2Q21 (non audited)	2Q20 (non audited)		Notes	1H21	1H20
24 635	**14 812**	**Net Income**		**41 733**	**35 959**
		Itens that may be reclassified through income statement:			
43	32	Change in derivative financial instruments fair value	17	- 569	- 66
- 685	- 46	Change in translation differences and other	17	1 314	-1 830
497	856	Share of other comprehensive income of investments accounted for using the equity method	17	817	- 283
143	- 154	Other comprehensive income	17	- 68	66
-2	**688**	**Other comprehensive income (net of tax)**		**1 494**	**-2 113**
24 633	**15 500**	**Total Net compreensive income**		**43 227**	**33 846**
		Attributable to:			
23 540	14 949	Corticeira Amorim Shareholders		40 928	32 856
1094	551	Non-controlling Interest		2300	990

(this statement should be read with the attached notes to the consolidated financial statements)
(items in this Statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 13)

Consolidated statement of cash flow

thousand euros

2Q21 (non audited)	2Q20 (non audited)		Notes	1H21	1H20
		OPERATING ACTIVITIES			
221 587	211 365	Collections from customers		412 249	396 765
-134 622	-152 806	Payments to suppliers		-267 781	-304 764
-33 512	-29 256	Payments to employees		-68 954	-65 320
53 453	**29 303**	**Operational cash flow**		**75 514**	**26 681**
-1 162	-3 163	Payments/collections - income tax		-2 315	-3 206
16 121	16 773	Other collections/payments related with operational activities		35 961	39 106
68 412	**42 913**	**CASH FLOW FROM OPERATING ACTIVITIES**		**109 160**	**62 581**
		INVESTMENT ACTIVITIES			
		Collections due to:			
168	453	Tangible assets		400	780
31	-30	Financial investments		46	504
114	146	Other assets		250	248
-5	-19	Interests and similar gains		21	52
350	-	Dividends		350	-
		Payments due to:			
-4 366	-11 364	Tangible assets		-10 151	-19 800
-592	-429	Right of use		-592	-727
-15 276	-5	Financial investments		-15 304	-20
-3 324	-436	Intangible assets		-3 938	-647
- 22 900	**- 11 682**	**CASH FLOW FROM INVESTMENTS**		**- 28 918**	**- 19 611**
		FINANCIAL ACTIVITIES			
		Collections due to:			
-	9 927	Loans		-	49 926
1 225	3 827	Government grants		3 021	3 850
17	-	Transactions with non-controlling interest		17	68
693	506	Others		1 129	1 058
		Payments due to:			
6 823	-35 010	Loans		-12 976	-44 246
-390	-542	Interests and similar expenses		-769	-1 082
-24 605	-	Dividends paid to company's shareholders	17	-24 605	-
-535	-144	Dividends paid to non-controlling interest	18	-535	-144
-873	-183	Government grants		-873	-658
-129	-124	Others		-243	-220
- 17 774	**- 21 743**	**CASH FLOW FROM FINANCING**		**- 35 834**	**8 552**
29 212	9 487	**Change in cash**		44 407	51 521
-38	88	**Exchange rate effect**		91	-375
-	-	**Perimeter variation**		-	-
39 633	17 583	**Cash at beginning**	16	24 309	-23 988
68 807	27 158	**Cash at end**	16	68 807	27 158

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Statement of Changes in Equity

thousand euros

	Notes	Share capital	Paid-in capital	Hedge accounting	Translation difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
		Attributable to owners of Corticeira Amorim, SGPS, S.A.								
Balance sheet as at January 1, 2020		133 000	38 893	212	-4 127	24 471	242 068	74 947	30 081	539 543
Profit for the year	17	-	-	-	-	2 129	72 818	-74 947	-	-
Dividends	17	-	-	-	-	-	-24 605	-	-144	-24 749
Perimeter variation	18	-	-	-	-	-	-	-	70	70
Changes in the percentage of interest retaining control	18	-	-	-	-	-	-	-	-2 111	-2 111
Consolidated Net Income for the period	17 e 18	-	-	-	-	-	-	34 272	1 687	35 959
Change in derivative financial instruments fair value	3	-	-	-66	-	-	-	-	-	-66
Change in exchange differences	17 e 18	-	-	-	-1 174	-	-	-	-656	-1 830
Other comprehensive income of associates	12	-	-	-	-1 201	-	918	-	-	-283
Other comprehensive income		-	-	-	-	-	107	-	-41	66
Total comprehensive income for the period		-	-	-66	-2 375	-	1 025	34 272	990	33 846
Balance sheet as at June 30, 2020		133 000	38 893	146	-6 502	26 600	291 306	34 272	28 886	546 599
Balance sheet as at January 1, 2021		133 000	38 893	431	-9 043	26 600	295 502	64 325	26 948	576 656
Profit for the year	17	-	-	-	-	-	64 326	-64 326	-	-
Dividends	17	-	-	-	-	-	-24 605	-	-535	-25 140
Perimeter variation	18	-	-	-	-	-	-	-	17	17
Changes in the percentage of interest retaining control	18	-	-	-	-	-	-	-	-	-
Consolidated Net Income for the period	17 e 18	-	-	-	-	-	-	39 432	2 301	41 733
Change in derivative financial instruments fair value	3	-	-	-569	-	-	-	-	-	-569
Change in exchange differences	17 e 18	-	-	-	1 331	-	-	-	-17	1 314
Other comprehensive income of associates	12	-	-	-	-21	-	838	-	-	817
Other comprehensive income		-	-	-	-	-	-83	-	15	-68
Total comprehensive income for the period		-	-	- 569	1 310	-	755	39 432	2 300	43 227
Balance sheet as at June 30, 2021		133 000	38 893	-138	-7 733	26 600	335 978	39 431	28 729	594 761

(this statement should be read with the attached notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

At the beginning of 1991, Corticeira Amorim, S.A. was transformed into Corticeira Amorim, S.G.P.S., S.A., the holding company for the cork business sector of the Amorim Group. In this report, Corticeira Amorim will be the designation of Corticeira Amorim, S.G.P.S., S.A., and in some cases the designation of Corticeira Amorim, S.G.P.S. together with all of its subsidiaries.

Corticeira Amorim is mainly engaged in the acquisition and transformation of cork into a numerous set of cork and cork related products, which are distributed worldwide through its network of sales company.

Corticeira Amorim is a Portuguese company with a registered head office in Mozelos, Santa Maria da Feira. Its share capital amounts to 133 million euros, which are publicly traded in the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

Amorim - Investimentos e Participações, S.G.P.S, S.A. held, as of December 31, 2020 and June 30, 2021, 67,830,000 shares of CORTICEIRA AMORIM, corresponding to 51.00% of the capital stock. Corticeira Amorim consolidates in Amorim – Investimentos e Participações, S.G.P.S., S.A., which is its controlling and Mother Company. Amorim – Investimentos e Participações, S.G.P.S., S.A. is owned by Amorim family.

These financial statements were approved in the Board Meeting of August 2, 2021. Shareholders have the capacity to modify these financial statements even after their release.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements as of June 30, 2021 were prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard 34 - Interim Financial Reporting, and include the statement of financial position, the income statement, the income statement and other comprehensive income, the statement of changes in equity and the condensed statement of cash flows, as well as the selected explanatory notes. The remaining notes were excluded because they have not suffered any changes in their standards which may affect the understanding of the financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements of CORTICEIRA AMORIM are consistent with those used in the preparation of the financial statements presented for the year ended December 31, 2020.

Changes in accounting policies and disclosures

The standards and interpretations that became effective as of 1 January 2021 are as follows:

- **IFRS 4 (amendment)**, 'Insurance contracts – deferral of IFRS 9'. This amendment addresses the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming IFRS 17 Insurance Contracts. In particular, the amendments to IFRS 4 extend the expiry date of the temporary exemption from applying IFRS 9 until 2023 in order to align the effective date of IFRS 9 with the new IFRS 17.

- **IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendment)** 'Interest rate benchmark (IBOR) reform – phase 2'. These amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one, providing exemptions like: i) changes to designations and hedging documentation; ii) amounts accumulated in the cash flow hedge reserve; iii) assessment of retrospective effectiveness on a hedge relationship under IAS 39; iv) amendments to hedge relationships for groups of items; v) presumption that an alternative benchmark rate designated as a non-contractually specified risk component is separately identifiable and qualifies as a hedged risk; and vi) update the effective interest rate, with no gain or loss recognised, for financial instruments measured at amortised cost with changes in the contractual cash flows as a result of IBOR reform, including leases that are indexed to an IBOR.

These standards and amendments had no material impact on Corticeira Amorim's consolidated financial statements.

The standards (new and amended) published, the application of which is mandatory for economic periods beginning after January 1, 2021, already endorsed by the European Union, are as follows:

- **IAS 16 (amendment)**, 'Proceeds before intended use' (effective for annual periods beginning on or after 1 January 2022). This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant and equipment, prohibiting their deduction to the acquisition cost of assets. This amendment is applied retrospectively without restating comparatives.

- **IAS 37 (amendment)**, 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022). This amendment specifies that when assessing whether a contract is onerous or not, only expenses directly related to the performance of the contract, such as incremental costs related to direct labour and materials and the allocation of other expenses directly related to the allocation of depreciation expenses of tangible assets used to carry out the contract, can be considered. This amendment must be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include contractual obligations to be satisfied, without restating comparatives.

- **Annual Improvements 2018 - 2020.** (effective for annual periods beginning on or after 1 January 2022). The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41.

- **IFRS 3 (amendment)**, 'Reference to the Conceptual framework' (effective for annual periods beginning on or after 1 June 2022. This amendment updates the references to the Conceptual Framework in the text of IFRS 3, without changing the accounting requirements for business combinations. This amendment also clarifies the accounting treatment to be given to contingent liabilities and liabilities under IAS 37 and IFRIC 21, incurred separately versus within a business combination. This amendment is applied prospectively.

No material impacts on Corticeira Amorim's consolidated financial statements are expected from the application of these standards and amendments.

The standards (new and amended) published, the application of which is mandatory for economic periods beginning after January 1, 2021, but which the European Union has not yet endorsed, are as follows:

- **IFRS 16 (amendment)**, 'Leases – COVID-19 related rent concessions beyond 30 June 2021' (effective for annual periods beginning on or after 1 April 2021). This amendment extends the date of application of the IFRS 16 – 'Leases – COVID-19 related rent concessions' amendment from 30 June 2021 to 30 June 2022. The conditions required to apply the practical expedient remain unchanged, such that: i) if the lessee already applied the 2020 practical expedient it is required to continue to apply the practical expedient consistently, to all lease contracts with similar characteristics and in similar circumstances; and ii) If the lessee did not apply the 2020 practical expedient to eligible lease concessions, it is prohibited from applying the extension of the practical expedient, as per this amendment. This amendment is applied retrospectively with the impacts reflected as an adjustment to the opening balance of retained earnings of the annual reporting period in which the lessee applies this amendment for the first time.

- **IAS 1 (amendment)**, 'Presentation of financial statements – classification of liabilities' (effective for annual periods beginning on or after 1 January 2023). This amendment intends to clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as the non-compliance with a given "covenant". This amendment also introduces a new definition of "settlement" of a liability. This amendment is applied retrospectively.

- **IAS 1 (amendment)**, 'Disclosure of accounting policies' (effective for annual periods beginning on or after 1 January 2023). Amendment to the requirement to disclose the accounting policies based on "material" instead of "significant". The amendment specifies that an accounting policy information is expected to be material if, in its absence, the users of the financial statements would be unable to understand other material information in those same financial statements. Immaterial accounting policy information need not be disclosed. The IFRS Practice Statement 2 was also amended to provide guidance for the application of the concept of material" to accounting policy disclosures.

- **IFRS 17 (new)**, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a general model "building block approach" or a simplified one "premium allocation approach". The "building block approach" is based on discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM'), which represents the unearned profit of the contract. Subsequent changes in estimated cash flows are adjusted against the contractual service margin, unless it becomes negative. IFRS 17 is applied retrospectively.

- **IFRS 17 (amendment)**, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This amendment includes specific changes in eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and ease transition..

- **IAS 8 (amendment)**, 'Disclosure of accounting estimates' (effective for annual periods beginning on or after 1 January 2023). Introduction of the concept of accounting estimate and the way it is distinct from changes to accounting policies. The accounting estimates are defined as corresponding to monetary amounts that are subject to measurement uncertainty, used to achieve an accounting policy's objective(s).

- **IAS 12 (amendment)**, 'Deferred tax related to assets and liabilities arising from a single transaction' (effective for annual periods beginning on or after 1 January 2023). IAS 12 will require entities to recognise deferred tax on specific transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. These applies to the recognition of: i) right-of-use assets and lease liabilities; and ii) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when not relevant for tax purposes. Such temporary differences are no longer subject to the initial recognition exemption for deferred taxes. The cumulative effect of initially applying the amendment is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the earliest comparative period presented.

3. FINANCIAL RISK MANAGEMENT

Corticeira Amorim's activity is exposed to a variety of financial risks inherent to its functions, so its monitoring and mitigation is carried out throughout the year. The spread of the COVID-19 pandemic and the measures taken to contain it, had a significant impact on the financial risks to which Corticeira Amorim may be subject, forcing it to strengthen its monitoring and control.

Market risk

Regarding market risk, although impacted by the pandemic (exchange rate risk, interest rate and raw material prices), were not significantly affected by the current context, with the follow-up procedures reported on December 31, 2020. The volatility of international markets they require scrupulous compliance with the procedures that were already defined, in order to avoid the possible impact of adverse events.

Credit risk

In terms of credit risk, there were no significant changes in the procedures adopted, reinforcing the collection measures that existed previously. Corticeira Amorim is attentive to the issue of customer payments of accounts receivable, but in a universe of almost 30,000 customers worldwide, the risk is significantly shared. Credit risk is naturally reduced due to the dispersion of sales by a very high number of customers, spread across all continents, with no one representing more than 2% of total sales.

Customer credit risk is assessed by the Financial Departments of the operating companies, considering the history of the commercial relationship, their financial situation, as well as other information that may be obtained through Corticeira Amorim's business network. Established credit limits are regularly reviewed and revised if necessary.

Corticeira Amorim's cash and cash equivalents is spread over another 90 subsidiaries. At the level of credit risk quality, associated with Cash and cash equivalents, on June 30, 2021, Corticeira Amorim selected (a) financial institutions whose rating does not compromise the realization of these assets. It should be noted that of the total cash and cash equivalents (103.7 M €), around 67.4 M € are deposited in 3 financial institutions (one with public capital and two with private capital) with the following ratings: Moody's: P-3, P-2 e P-2; Fitch Ratings: F3, F2 e F2; DBRS Morning Star: R-1.

Liquidity risk

CORTICEIRA AMORIM financial department regularly analyses future cash flows so that it can deliver enough liquidity for the group to provide operating needs, and also to comply with credit lines payments. Excess of cash is invested in interest bearing short-term deposits. This police offer the necessary flexibility to conduct its business.

Liquidity risk hedging is achieved by the existence of non-used credit line facilities and, eventually bank deposits. Due to the COVID-19 pandemic, Corticeira Amorim reinforced those lines and programs that were previously available and contracted new financing. Accordingly, Corticeira Amorim ended the semester with unused credit lines and commercial paper issuance programs totaling € 222 million (on December 31, 2020 the comparable figure was € 261 million). If we add Cash and Cash Equivalents, the Liquidity Reserve at the end of the semester was 326 M € (331 M € on 31 December 2020).

The COVID-19 pandemic is not expected to threaten Corticeira Amorim's liquidity.

Capital risk

CORTICEIRA AMORIM key objective is to assure business continuity, delivering a proper return to its shareholders and the correspondent benefits to its remaining stakeholders. A careful management of the capital employed in the business, using the proper combination of capital in order to reduce its costs, obtains the fulfilment of this objective. Corticeira Amorim is a solid company with an appropriate and balanced capital structure (Equity/Assets ratio at 30 June 2021 of 55.4%), responsible for an activity that is fundamental to the sustainability of the whole cork industry. Without the cork stoppers produced by Corticeira Amorim, thousands of wineries and bottlers would not be able to operate in the most varied geographical areas.

In order to achieve the proper combination of capital employed, the Board can obtain from the General Shareholders Meeting the approval of the necessary measures, namely adjusting the dividend pay-out ratio, the treasury stock, raising capital through new shares issue, sale of assets or other type of measures.

The key indicator for the said combination is the Equity/Assets ratio. CORTICEIRA AMORIM establishes as a target a level of not less than 40% of Equity/Assets ratio attending the company features and of the economic sector that she belongs.

Financial assets and liabilities fair value

The Group measures part of its financial assets and liabilities at fair value at the reference date of the financial statements. Derivative financial instruments are included in the categories mentioned above. The derivatives used by CORTICEIRA AMORIM have no public quotation because they are not traded in an open market (over the counter derivatives).

According to the accounting standards, a fair value hierarchy is established that classifies three levels of data to be used in measurement techniques at fair value of financial assets and liabilities:

Level 1 data – public quotation (non-adjusted) in liquid markets for comparable assets or liabilities;

Level 2 data – different data of public quotation observable for the asset or the liability, directly or indirectly;

Level 3 data – non observable data for the assets or the liability. During the year, there were no transfers between the levels mentioned above.

As of June 30, 2021, derivative financial instruments recognised as assets in the consolidated statement of financial position rise 87 K€ as asset (Dec. 30, 2020: 1,973 K€) and 835 K€ as liabilities (Dec. 30, 2020: 164 K€), as stated in notes 15 and 21.

CORTICEIRA AMORIM uses forward outrights and options to hedge exchange rate risk, as shown below. Evaluating exchange rate hedge instruments requires the utilisation of observable inputs (level 2). Fair value is calculated using a proprietary model of CORTICEIRA AMORIM, developed by Reuters, using discounted cash flows method for forwards outrights. As for options, it is used the Black & Scholes model.

The only financial liability with level 3 corresponds to the agreement to acquire additional stake in subsidiaries, whose conditions are described in note 21.

The main inputs used in the valuation are: forward exchange rate curve and currency volatility estimates.

Exchange rate contracts

As of June 30, 2021, options contracts and forward outright related with sales currencies were used in CORTICEIRA AMORIM transactions:

It is expected that hedged highly probable transactions in foreign currencies occur during the second half of 2021. The corresponded value recognised in equity as hedge accounting will be recorded in income statement in that same period.

The amount recognised in comprehensive income statement as change in derivative financial instruments fair value reached -569 thousand euros (1H20: -66 thousand euros).

4. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the Group's management to make judgments and estimates that affect the statement of financial position and the reported results. These estimates are based on the best information and knowledge about past and/or present events and on the operations that the Company considers it may implement in the future. However, at the date of completion of such operations, their results may differ from these estimates.

Changes to these estimates that occur after the date of approval of the consolidated financial statements will be corrected in the income statement in a prospective manner, in accordance with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors".

The estimates and assumptions that imply a greater risk of giving rise to a material adjustment in assets and liabilities are described below:

- Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in return from its involvement with that entity and can take possession of them through the power it holds over this entity.

The decision that an entity must be consolidated by the Group requires the use of judgment, estimates, and assumptions to determine the extent to which the Group is exposed to return variability and the ability to take possession of them through its power.

Other assumptions and estimates could lead to the Group's consolidation perimeter being different, with direct impact on the consolidated financial statements.

- Impairment of non-current assets, excluding goodwill

The determination of a possible impairment loss can be triggered by the occurrence of various events, such as the availability of future financing, the cost of capital or other market, economic and legal changes or changes with an adverse effect on the technological environment, many of which are beyond the Group's control. The identification and assessment of impairment indicators, the estimation of future cash flows, and the calculation of the recoverable value of assets involve a high degree of judgment by the Board.

- Impairment of goodwill

Goodwill is annually subjected to impairment tests or whenever there are indications of a possible loss of value in accordance with the criteria described in Note 2 b). The recoverable values of the cash-generating units to which goodwill is allocated are determined based on the calculation of current use values. These calculations require the use of estimates by management.

- Intangible and tangible assets

The life of an asset is the period during which the Company expects that an asset will be available for use and this should be reviewed at least at the end of each financial year. The determination of the useful lives of assets, the amortisation/depreciation method to be applied, and the estimated losses resulting from the replacement of equipment before the end of its useful life due to technological obsolescence is crucial in determining the amount of amortisation/depreciation to be recognised in the consolidated income statement each period.

These three parameters are defined using management's best estimates for the assets and businesses concerned, and taking account of the practices adopted by companies in the sectors in which the Group operates.

- Provisions

The Group periodically reviews any obligations arising from past events, which should be recognised or disclosed. The subjectivity involved in determining the probability and amount of internal resources required to meet obligations may give rise to significant adjustments, either due to changes in the assumptions made, or due to the future recognition of provisions previously disclosed as contingent liabilities.

- Deferred income tax assets

Deferred income tax assets are recognised only when there is strong assurance that there will be future taxable income available to use the temporary differences or when there are deferred tax liabilities whose reversal is expected in the same period in which the deferred tax assets are reversed. The assessment of deferred income tax assets is undertaken by management at the end of each period taking account of the expected future performance of the Group.

- Expected credit loss

The credit risk on the balances of accounts receivable is assessed at each reporting date, through the use of a collection matrix, which is based on the history of past collections adjusted for the future expectation of evolution of collections, to determine the non-receipt rate. Expected credit losses on accounts receivable are adjusted by the evaluation made, which may differ from the actual risk incurred in the future.

- Fair value of financial assets and liabilities

When the fair value of a financial asset or liability is calculated, on an active market, the respective market price is used. When there is no active market, which is the case with some of Corticeira Amorim financial assets and liabilities, valuation techniques generally accepted in the market, based on market assumptions, are used.

The Group applies evaluation techniques for unlisted financial instruments, such as derivatives, financial instruments at fair value and instruments measured at amortised cost. The most frequently used valorisation models are models of discounted cash flows and option models, which incorporate, for example, interest rate and market volatility curves.

For certain types of more complex derivatives, more advanced valuation models are used containing assumptions and data that are not directly observable in the market, for which the Group uses the proprietary model specified in Note 3.

- Revenue - return rights / quantity discounts

Some contracts give the customer the right to return goods and volume rebates. The right of return and volume discounts give rise to variable remuneration. When estimating the variable consideration, Corticeira Amorim determined that the use of a combination of the most probable quantity method and the value method expected is most appropriate. Before including any amount of variable consideration in the transaction price, Corticeira Amorim considers whether the amount of the variable consideration is restricted. Corticeira Amorim determined that the variable compensation estimates are not limited based on their historical experience, forecast of business and economic conditions. In addition, uncertainty over variable consideration will be resolved in a short period of time.

5. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	1H21	2020
Raw Materials					
Amorim Natural Cork, S.A.		**Vale de Cortiças -**	**PORTUGAL**	**100%**	**100%**
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal II, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal III, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, S.L.		Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%	100%
Cold River´s Homestead, SA	(b) (e)	Lisboa	PORTUGAL	50%	-
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
Cosabe - Companhia Silvo-Agrícola da Beira S.A.		Lisbon	PORTUGAL	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière		Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim Cork, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**100%**	**100%**
ACIC USA, LLC		California	U. S. AMERICA	100%	100%
Agglotap, S.A.		Girona	SPAIN	91%	91%
All Closures In, S.A.		Paços de Brandão	PORTUGAL	75%	75%
Amorim Cork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Australasia Pty Ltd.		Adelaide	AUSTRALIA	100%	100%
Amorim Bartop, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Champcork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Cork América, Inc.		California	U. S. AMERICA	100%	100%
Amorim Cork Beijing Ltd.		Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%	100%
Amorim Cork España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd.		Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%	100%
Amorim Top Series France, S.A.S.		Merpins	FRANCE	100%	100%
Amorim Top Series, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Top Series Scotland, Ltd		Dundee	SCOTLAND	100%	100%
Biocape - Importação e Exportação de Cápsulas, Lda.		Mozelos	PORTUGAL	60%	60%
Bouchons Prioux		Epernay	FRANCE	91%	91%
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchera Gomez Barris	(c)	Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(b)	Mendoza	ARGENTINA	50%	50%
Corpack Bourrasse, S.A.		Santiago	CHILE	80%	80%
Elfverson & Co. AB		Paryd	SWEDEN	75%	75%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%	100%
S.A.S. Ets Christian Bourassé		Tosse	FRANCE	80%	80%
FP Cork, Inc.		California	U. S. AMERICA	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	94%	94%
Hungarocork, Amorim, RT		Budapest	HUNGARY	100%	100%
Indústria Corchera, S.A.	(c)	Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.		Vienna	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Portocork América, Inc.		California	U. S. AMERICA	100%	100%
Portocork France, S.A.S.		Bordeaux	FRANCE	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália, s.r.l		Milano	ITALY	100%	100%
Sagrera et Cie		Reims	FRANCE	91%	91%
S.A. Oller et Cie		Reims	FRANCE	94%	94%
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux		Epernay	FRANCE	91%	91%
Socori, S.A.		Rio Meão	PORTUGAL	80%	80%
Socori Forestal, S.L.		Cáceres	SPAIN	80%	80%
Société Nouvelle des Bouchons Trescases	(b)	Perpignan	FRANCE	50%	50%
Trefinos Australia		Adelaide	AUSTRALIA	91%	91%
Trefinos Italia, s.r.l		Treviso	ITALY	91%	91%
Trefinos USA, LLC		Fairfield, CA	U. S. AMERICA	91%	91%
Trefinos, S.L.		Girona	SPAIN	91%	91%
Victor y Amorim, S.L.	(c)	Navarrete - La Rioja	SPAIN	50%	50%
Vinolok a.s	(b)	Jablonec nad Nisou	CZECH REP.	50%	50%
Wine Packaging & Logistic, S.A.	(b)	Santiago	CHILE	16%	16%

Company		Head Office	Country	1H21	2020
Floor & Wall Coverings					
Amorim Cork Flooring, S.A.		**S. Paio de Oleiros**	**PORTUGAL**	**100%**	**100%**
Amorim Benelux, BV		Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH	(a)	Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH		Vienna	AUSTRIA	100%	100%
Amorim Flooring Canada, Inc.	(d)	Vancouver	CANADA	100%	-
Amorim Flooring Investments, Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring North America Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring Rus, LLC		Moscow	RUSSIA	100%	100%
Amorim Flooring Sweden AB		Mölndal	SWEDEN	84%	84%
Amorim Flooring UK, Ltd.		Manchester	UN. KINGDOM	100%	100%
Amorim Japan Corporation		Tokyo	JAPAN	100%	100%
Cortex Korkvertriebs, GmbH		Fürth	GERMANY	100%	100%
Dom KorKowy, Sp. Zo. O.	(c)	Kraków	POLAND	50%	50%
Korkkitrio Oy		Tampere	FINLAND	51%	51%
Timberman Denmark A/S		Hadsund	DENMARK	100%	100%
Composite Cork					
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Amorim (UK), Ltd.		Horsham West Sussex	UN. KINGDOM	100%	100%
Amorim Cork Composites, LLC		Saint Petersburg	RUSSIA	100%	100%
Amorim Cork Composites, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Cork Composites, Inc.		Trevor - Wisconsin	U. S. AMERICA	100%	100%
Amorim Deutschland, GmbH	(a)	Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
Amorim Sports, Lda.		Mozelos	PORTUGAL	70%	70%
Amorim Sports North America, Inc.	(d)	Madison - Wisconsin	U. S. AMERICA	90%	-
Amosealtex Cork Co., Ltd.	(b)	Xangai	CHINA	50%	50%
Chinamate (Shaanxi) Natural Products Co., Ltd.		Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd.		Hong Kong	CHINA	100%	100%
Compruss – Investimentos e Participações, Lda.		Mozelos	PORTUGAL	100%	100%
Corkeen Europe		Mozelos	PORTUGAL	85%	85%
Corkeen Global		Mozelos	PORTUGAL	100%	100%
Corkeen North America, Ltd.	(d)	Madison - Wisconsin	U. S. AMERICA	90%	-
Corticeira Amorim - France, SAS		Lavardac	FRANCE	100%	100%
Florconsult – Consultoria e Gestão, Lda.		Mozelos	PORTUGAL	100%	100%
Korko - Made By Nature, Lda	(d)	Mozelos	PORTUGAL	100%	-
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Insulation Cork					
Amorim Cork Insulation, S.A.		**Vendas Novas**	**PORTUGAL**	**100%**	**100%**
Holding					
Corticeira Amorim, SGPS, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda.		Mozelos	PORTUGAL	100%	100%
Corecochic - Corking Shoes Investments, Lda.	(b)	Mozelos	PORTUGAL	50%	50%
Gröwancork - Estruturas isoladas com cortiça, Lda.		Mozelos	PORTUGAL	75%	75%
TDCork - Tapetes Decorativos com Cortiça, Lda.	(b)	Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda.		Montijo	PORTUGAL	100%	100%

(a) - One single company: Amorim Deutschland, GmbH

(b) - Equity method consolidation.

(c) - CORTICEIRA AMORIM directly or indirectly controls the relevant activities – line-by-line consolidation method.

(d) - Company set-up in 2021

(e) - Company acquired in 2021

The percentages indicated are the percentages of interests and not of control.

For entities consolidated by the full consolidation method, the percentage of voting rights held by "Non-Controlling Interests" is equal to the percentage of share capital held.

Acquisition of 50% of Cold River's Homestead, S.A.

On 24 June, Corticeira Amorim, through its subsidiary Amorim Florestal II, S.A., reached an agreement with Banco Comercial Português to acquire 50% of Cold River's Homestead, SA, which has a set of assets (movable and immovable property) related to agro-forestry exploitation, which constitutes a part (3,300 hectares) of the so-called Herdade do Rio Frio, located in the Setúbal district, for the total sum of EUR 14,525 K.

Corticeira Amorim has also reached an agreement with Parvalorem, SA, to acquire the remaining 50% of Cold River's Homestead, SA.

As it is widely known, Corticeira Amorim has a Forest Intervention Project underway, which aims to ensure the maintenance, preservation and enhancement of cork oak forests and the development of cork oaks, to increase their production through innovative processes and technologies already tried out in other areas and, in this way, to increase the carbon sink of cork oak forests and contribute to the carbon neutrality of the company and the country. Within the scope of this acquisition, Corticeira Amorim intends to improve the productivity of the agro-forestry activity of Herdade do Rio Frio, namely through densification to be implemented in this unique cork oak forest, with processes already experimented in other locations.

The fair values of assets and liabilities identified under this transaction include essentially the Herdade do Rio Frio. Therefore, the transaction value was attributed to the acquired tangible assets and no goodwill or negative goodwill resulted.

6. EXCHANGE RATES USED IN CONSOLIDATION

Exchage rates		June 30, 2021	Average jan-jun 21	Average jan-dec 20	December 31, 2020
Argentine Peso	ARS	113,452	109,979	80,877	102,687
Australian Dollar	AUD	1,585	1,563	1,655	1,590
Lev	BGN	1,956	1,956	1,956	1,956
Brazilian Real	BRL	5,905	6,490	5,894	6,374
Canadian Dollar	CAD	1,472	1,503	1,530	1,563
Swiss Franc	CHF	1,098	1,095	1,071	1,080
Chilean Peso	CLP	867,430	867,317	902,158	866,820
Yuan Renminbi	CNY	7,674	7,796	7,875	8,023
Czech Koruny	CZK	25,488	25,854	26,455	26,242
Danish Krona	DKK	7,436	7,437	7,454	7,441
Algerian Dinar	DZD	158,774	160,027	144,517	160,674
Euro	EUR	1,000	1,000	1,000	1,000
Pound Sterling	GBP	0,858	0,868	0,890	0,899
Hong Kong Dollar	HKD	9,204	9,351	8,855	9,468
Forint	HUF	351,680	357,880	351,249	363,890
Yen	JPY	131,430	129,868	121,846	126,490
Moroccan Dirham	MAD	10,584	10,741	10,817	10,872
Zloty	PLN	4,520	4,537	4,443	4,560
Ruble	RUB	86,773	89,550	82,725	91,467
Swedish Krona	SEK	10,111	10,131	10,485	10,034
Tunisian Dinar	TND	3,302	3,289	3,195	3,290
Turkish Lira	TRL	10,321	9,523	8,055	9,113
US Dollar	USD	1,188	1,205	1,142	1,227
Rand	ZAR	17,011	17,524	18,765	18,022

7. SEGMENT REPORT

CORTICEIRA AMORIM is organised in the following Business Units (BU): Raw Materials, Cork Stoppers, Floor and Wall Coverings, Composite Cork and Insulation Cork.

There are no differences between the measurement of profit and loss and assets and liabilities of the reportable segments, associated to differences in accounting policies or centrally allocated cost allocation policies or jointly used assets and liabilities.

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organization and evaluation of business. Business Units correspond to the operating segments of the company and the segment report is presented the same way they are analysed for management purposes by the board of CORTICEIRA AMORIM.

The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators:

thousand euros

1H21	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Compo site Cork	Insulation Cork	Holding	Adjustm.	Consolid ated
Trade Sales	4 651	305 660	60 601	56 091	6 272	43	-	433 318
Other BU Sales	96 106	5 665	2 881	1 566	964	1 586	- 108 769	-
Total Sales	**100 757**	**311 325**	**63 483**	**57 657**	**7 235**	**1 629**	**- 108 769**	**433 318**
EBITDA (current)	**9 454**	**58 532**	**4 006**	**5 192**	**1 391**	**- 1 738**	**433**	**77 270**
Assets (non-current)	**54 096**	**205 897**	**35 903**	**46 913**	**4 475**	**3 135**	**29 374**	**379 792**
Assets (current)	**151 341**	**349 208**	**75 041**	**63 977**	**8 817**	**68 073**	**- 22 181**	**694 277**
Liabilities	**51 617**	**195 616**	**45 796**	**37 327**	**2 556**	**18 762**	**127 633**	**479 309**
Capex	**2 752**	**7 953**	**2 016**	**2 053**	**133**	**140**	**-**	**15 048**
Year Depreciation	**- 2 497**	**- 12 519**	**- 3 330**	**- 2 471**	**- 299**	**- 78**	**-**	**- 21 194**
Gains/Losses in associated companies	**-**	**2 253**	**1**	**- 10**	**-**	**- 2**	**-**	**2 242**

1H20	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Compo site Cork	Insulation Cork	Holding	Adjustm.	Consolid ated
Trade Sales	5 530	275 055	57 431	48 511	4 990	61	-	391 577
Other BU Sales	94 626	4 594	1 498	1 685	1 010	1 746	- 105 159	-
Total Sales	**100 156**	**279 649**	**58 929**	**50 196**	**6 000**	**1 807**	**- 105 159**	**391 577**
EBITDA (current)	**8 747**	**54 357**	**1 033**	**4 058**	**- 13**	**- 1 927**	**- 310**	**65 945**
Assets (non-current)	**38 113**	**199 649**	**37 055**	**46 398**	**4 333**	**903**	**31 718**	**358 168**
Assets (current)	**171 531**	**364 107**	**67 783**	**56 508**	**9 552**	**53 643**	**- 18 798**	**704 326**
Liabilities	**55 725**	**176 365**	**44 113**	**28 965**	**2 123**	**14 537**	**194 067**	**515 895**
Capex	**2 727**	**11 612**	**1 755**	**2 475**	**420**	**64**	**-**	**19 052**
Year Depreciation	**- 2 097**	**- 11 034**	**- 3 266**	**- 1 786**	**- 268**	**- 48**	**-**	**- 18 500**
Gains/Losses in associated companies	**-**	**1 307**	**-**	**3**	**-**	**- 9**	**-**	**1 302**

Adjustments = eliminations inter-BU and amounts not allocated to BU.

EBITDA = Profit before net financing costs, depreciation, non-controlling interests, income tax and non-recurrent results.

Provisions and asset impairments were considered the only relevant non-cash material cost.

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different types of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of CORTICEIRA AMORIM, with 90% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining Business Units produce and sell a wide range of products that use the raw material left over from the production of stoppers, as well as the cork raw material that is not susceptible to be used in the production of stoppers. Main products are cork floor tiles, cork rubber for the automotive industry and antivibratic systems, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composites products the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

Sales by markets:

thousand euros

Markets	1H21		1H20	
European Union	290 152	67.0%	250 294	63.9%
From which: Portugal	30 057	6.9%	22 862	5.8%
Other European countries	14 962	3.5%	15 831	4.0%
United States	76 270	17.6%	80 336	20.5%
Other American countries	29 655	6.8%	22 272	5.7%
Australasia	17 290	4.0%	18 756	4.8%
Africa	4 990	1.2%	4 088	1.0%
TOTAL	**433 318**	**100%**	**391 577**	**100%**

The value of sales relates in its entirety, as in 2020, to contracts covered by IFRS 15 - Revenue from contracts with customers.

8. TANGIBLE ASSETS

thousand euros

	Land and Buildings	Machinery	Other	Tangible Fixed Assets in Progress	Total Tangible Assets
Gross Value	282 493	469 983	38 047	30 416	820 940
Depreciation and impairments	- 166 386	- 344 808	- 31 146	-	- 542 340
Opening balance (Jan 1, 2020)	**116 107**	**125 175**	**6 901**	**30 416**	**278 600**
Increase	3 160	5 615	758	8 872	18 405
Period deprec. and impairments	- 3 096	- 12 735	- 906	-	- 16 737
Sales and other decreases	-	- 1 043	- 392	- 77	- 1 512
Transfers and reclassifications	2 431	4 297	86	- 5 988	826
Translation differences	- 230	- 124	- 23	- 35	- 412
Gross Value	**287 458**	**474 558**	**38 152**	**33 188**	**833 356**
Depreciation and impairments	**- 169 086**	**- 353 373**	**- 31 728**	**-**	**- 554 188**
Closing balance (Jun 30, 2020)	**118 372**	**121 185**	**6 424**	**33 188**	**279 168**
Gross Value	291 734	485 471	38 207	26 536	841 948
Depreciation and impairments	- 173 640	- 355 176	- 31 456	0	- 560 272
Opening balance (Jan 1, 2021)	**118 094**	**130 296**	**6 751**	**26 536**	**281 676**
Increase	453	4 554	466	4 678	10 152
Period deprec. and impairments	- 3 073	- 13 855	- 1 000	-	- 17 929
Sales and other decreases	22	262	51	-	335
Transfers and reclassifications	- 342	14 626	- 176	- 13 017	1 091
Translation differences	377	73	18	10	479
Gross Value	**291 702**	**505 048**	**37 227**	**18 207**	**852 184**
Depreciation and impairments	**- 176 169**	**- 369 093**	**- 31 118**	**-**	**- 576 380**
Closing balance (Jun 30, 2021)	**115 532**	**135 956**	**6 109**	**18 207**	**275 804**

Impairment losses recognized were recognised on the "Depreciation/Amortization" line in the consolidated income statement by nature.

Expenses to place the assets in the required location and condition related with tangible fixed assets had no impact.

No interest was capitalised during the period.

9. INTANGIBLE ASSETS AND GOODWILL

		thousand euros
	Intangible Assets	**Goodwill**
Gross Value	18 613	13 847
Depreciation and impairments	- 7 761	- 103
Opening balance (Jan 1, 2020)	**10 852**	**13 744**
Increase	647	-
Period deprec. and impairments	- 695	-
Sales and other decreases	-	-
Transfers and reclassifications	- 701	-
Translation differences	-	- 152
Gross Value	**18 559**	**13 695**
Depreciation and impairments	**- 8 456**	**- 103**
Closing balance (Jun 30, 2020)	**10 103**	**13 592**
Gross Value	25 934	13 849
Depreciation and impairments	- 9 764	- 103
Opening balance (Jan 1, 2021)	**16 170**	**13 746**
Increase	3 938	-
Period deprec. and impairments	- 1 508	-
Sales and other decreases	- 617	-
Transfers and reclassifications	- 301	-
Translation differences	19	- 30
Gross Value	**29 349**	**13 806**
Depreciation and impairments	**- 11 648**	**- 90**
Closing balance (Jun 30, 2021)	**17 701**	**13 716**

Intangible Assets essentially include software, autonomous product development projects and innovative solutions.

With the exception of goodwill, there are no intangible assets of indefinite life.

Detail of goodwill according to the following table:

thousand euros

2020	Opening balance	Increase	Decrease	Reclassification	Transalation differences	End balance
Bourrassé	9 745					9 745
Elfverson	3 901			- 152	154	3 903
Korkkitrio	98					98
Goodwill	**13 744**	**-**	**-**	**- 152**	**154**	**13 746**

thousand euros

1H21	Opening balance	Increase	Decrease	Reclassification	Transalation differences	End balance
Bourrassé	9 745					9 745
Elfverson	3 903				- 30	3 873
Korkkitrio	98					98
Goodwill	**13 746**	**-**	**-**	**-**	**- 30**	**13 716**

As referred to in b) in Note 2 of the annual report, impairment tests are performed annually. For the tests are projected cash-flows, based on the budget and plans ratified by management. The growth assumptions take into account the expected growth of the wine, champagne and sparkling wine market, as well as the evolution of the market share of the subsidiaries in this business.

In the tests, growth rates of 15% and 31% were used in Bourrassé and Elfverson, respectively, for the period 2020-2022 and 1.6% and 1.8% for the following years. The discount rate used was 6.98%. In the interim report of June 30, business plans were reassessed taking into account the effect of the COVID-19 pandemic. Considering the performance of the first semester it was concluded that it was not necessary to change the plans and the impairment tests previously approved.

The results of the annual impairment tests show that the recoverable amounts are sufficiently greater than the book values, even in the case of unfavourable evolutions in the main variables. Even in a scenario of a loss of 15% of sales forecasted in the business plans, Corticeira Amorim would not recognise impairment losses in the recorded goodwill.

10. RIGHT OF USE

thousand euros	Right of use
Gross Value	10 187
Depreciation and impairments	- 4 150
Opening balance (Jan 1, 2020)	**6 037**
Increase	739
Period deprec. and impairments	- 769
Sales and other decreases	-
Transfers and reclassifications	271
Translation differences	-
Gross Value	**10 516**
Depreciation and impairments	**-4 238**
Closing balance (Jun 30, 2020)	**6 278**
Gross Value	11 531
Depreciation and impairments	- 5 289
Opening balance (Jan 1, 2021)	**6 241**
Increase	592
Period deprec. and impairments	- 1 172
Sales and other decreases	-
Transfers and reclassifications	1 017
Translation differences	11
Gross Value	**13 181**
Depreciation and impairments	**-6 491**
Closing balance (Jun 30, 2021)	**6 689**

Depreciation of the right of use includes leases previously classified as financial, included in tangible assets.

11. INVESTMENT PROPERTY

	thousand euros
	Investment Property
Gross Value	22 116
Depreciation and impairments	- 16 730
Opening balance (Jan 1, 2020)	**5 387**
Increase	15
Period deprec. and impairments	- 316
Sales and other decreases	-
Transfers and reclassifications	258
Translation differences	-
Gross Value	**22 121**
Depreciation and impairments	**- 16 778**
Closing balance (Jun 30, 2020)	**5 343**
Gross Value	22 121
Depreciation and impairments	- 16 718
Opening balance (Jan 1, 2021)	**5 403**
Increase	-
Period deprec. and impairments	- 316
Sales and other decreases	-
Transfers and reclassifications	267
Translation differences	-
Gross Value	**22 121**
Depreciation and impairments	**- 16 768**
Closing balance (Jun 30, 2021)	**5 353**

The amount of 5,353 K€, referred as Investment Property (December 31, 2020: 5,403 K€), is due, mainly, to land and buildings that are not used in production.

The fair value of the Investment Properties in the case of the land and building in Corroios (determined on the basis of an independent valuation) is close to the value recorded in the accounts. This item also includes a property (Interchampagne with a value of 1,330 K€) with a recent valuation that corresponds to the book value. At the end of June 30, 2021, management made an analysis of these valuations and considered that they remained up to date. The remaining investment properties include a building with a book value of K€ 861 which yield, updated with a market WACC, will approximately correspond to the value at which they are booked (cost model) in the financial statements.

These properties are not generating income and conservation and repair costs are insignificant.

12. INVESTIMENTS IN ASSOCIATES AND JOINT-VENTURES

thousand euros

	1H21	2020	1H20
Opening Balance	**24 046**	**22 366**	**22 366**
In / Out	15 253	-	-
Results	2 242	2 105	1 302
Dividends	- 350	- 350	-
Exchange Differences	- 21	- 1 863	- 1 201
Other	838	1 789	918
End Balance	**42 008**	**24 046**	**23 385**
Equity method	2 242	2 105	1 302
Gains on disposal of associates	0	0	0
Share of (loss)/profit of associates and joint-ventures	**2 242**	**2 105**	**1 302**

The associates and joint-ventures are entities through which the group operates in the markets in which they are based, acting as distribution channels of products.

thousand euros

	1H21			
	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	5 485	1 715	7 200	794
Wine Packaging & Logistic	1 243	-	1 243	2
Corchos Argentina	4 028	-	4 028	40
Vinolok	13 892	-	13 892	1 417
Cold River´s Homestead	15 253	-	15 253	-
Others	393	-	393	- 11
End Balance	**40 293**	**1 715**	**42 008**	**2 242**

thousand euros

	1H20			
	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	5 320	1 715	7 035	585
Wine Packaging & Logistic	1 154	-	1 154	-
Corchos Argentina	3 141	-	3 141	- 239
Vinolok	11 650	-	11 650	961
Others	405	-	405	- 5
End Balance	**21 670**	**1 715**	**23 385**	**1 302**

In addition to the above, the Group has significant influence on a set of other individually immaterial associates.

13. DEFERRED TAX / INCOME TAX

- ## Deferred tax and income tax

The difference between the tax due for the current period and prior periods and the tax already paid or to be paid of these periods is booked as "deferred tax" in the consolidated income statement and amounts to -150 K€ (31/12/2020: 279 K€).

On the consolidated statement of financial position this effect, excluding tax contingencies, amounts to 13,341 K€ (31/12/2020: 14,672 K€) as asset, and to 50,424 K€ (31/12/2020: 50,570 K€) as liability.

According to IFRIC 23, from 2019 the deferred tax liability item now includes provisions for tax contingencies in the amount of 43,896 K€ (31/12/2020: 43,332 K€). In September 2019, the IFRS Interpretation Commitee issued a document in which it concluded that a company is required to present liabilities relating to uncertainty over income to treatment in current tax or deferred tax. Corticeira Amorim considers that taking into account the previous treatment (in which these liabilities were presented as non-current) and the fact that these contingencies do not imply a transfer of economic resources in the short term, it would be more appropriate to present it under the caption Deferred tax.

Deferred tax related with items directly registered in equity was 99 K€ (credit balance) and relates to hedge accounting. No other deferred tax values related with other equity movements were booked.

It is conviction of the Board that, according to its business plan, the amounts registered in deferred tax assets will be recovered as for the tax carry forward losses.

thousand euros

	1H21	2020	1H20
Related with Inventories and third parties	7 303	7 637	7 662
Related with tax losses carry forward	1 769	2 177	2 884
Related with Fixed Tangible Assets / Intang. / Inv. Prop	1 014	1 049	1 102
Related with other deductable temporary differences	3 256	3 809	3 523
Deferred Tax Assets	**13 341**	**14 672**	**15 172**
Related with Fixed Tangible Assets	3 821	4 613	3 835
Related with other taxable temporary differences	2 708	2 624	3 305
Tax contingencies	43 896	43 332	41 270
Deferred Tax Liabilities	**50 424**	**50 570**	**48 411**
Current Income Tax	- 15 509	- 11 781	- 11 925
Deferred Income Tax	- 150	279	1 847
Income Tax	**- 15 659**	**- 11 502**	**- 10 078**

Tax relating to components of other comprehensive income is as follows:

thousand euros

	1H21		
	before tax	tax	after tax
Itens that could be reclassified through income statement:			
Change in derivative financial instruments fair value	- 668	99	- 569
Change in translation differences	1 314	-	1 314
Share of other comprehensive income of investments accounted for using the equity method	817	-	817
Other comprehensive income	- 68	-	- 68
Other comprehensive income	**1 395**	**99**	**1 494**

thousand euros

	1H20		
	before tax	tax	after tax
Itens that could be reclassified through income statement:			
Change in derivative financial instruments fair value	- 77	11	- 66
Change in translation differences	- 1 830	-	- 1 830
Share of other comprehensive income of investments accounted for using the equity method	- 283	-	- 283
Other comprehensive income	66	-	66
Other comprehensive income	**- 2 124**	**11**	**- 2 113**

- ## Income tax (Stament of Financial Position)

thousandeuros

	1H21	2020	1H20
Income tax - minimum advances	112	9	13
Income tax - advances/to be recovered	3 155	4 733	5 744
Income tax - withholding	193	95	162
Income tax – special payment (RERD)	2 093	2 093	2 093
Income tax – special payment (RERD) impairment	- 2 093	- 2 093	- 2 093
Incometax - special payment(PERES)	5 330	5 330	5 383
Incometax - special payment (PERES) impairment	- 5 330	- 5 330	- 5 383
Incometax (assets)	**3 460**	**4 838**	**5 918**
Income tax – Estimation and others	13 030	1 767	8 221
Incometax (liabilities)	**13 030**	**1 767**	**8 221**

In 2013, Corticeira Amorim made the payment instituted by DL 151-A / 2013 (RERD) in the amount of 4.3 M€, a payment that does not imply the abandonment by Corticeira Amorim of defending the respective processes. In 2016, a final decision was made on one of the paid processes relating to stamp taxes, which was partially won by Corticeira Amorim, which received 1.2 M€ of the amount paid of 1.7 M€. In 2019, the final decision of another process was won by Corticeira Amorim, which implied the receipt of 0.5 M€. In this way, the amount that remains open for ongoing proceedings paid under the RERD is 2.1 M€.

At the end of 2016, a special Plan for the Reduction of Indebtedness to the State (PERES) was approved by Decree-Law no. CORTICEIRA AMORIM decided to partially adhere to that measure. In December 2016, approximately 7.4 M€ were paid in respect of Stamp Tax / VAT (2 M€) and Income Tax (IRC) in the amount of 5.4 M€. Of the amount paid, less than 100 K€ was received due to lawsuits won by Corticeira Amorim. The remaining payments remain open.

To be noted that CORTICEIRA AMORIM was not a debtor to the social security and to the tax authority. Those amounts were subject to court litigation. The disputs that were chosen to adhere are old cases whose values of interest on late payments and fines to be paid, in case of loosing, would be high.

RERD and PERES allowed for the payment of the capital without any payment regarding late payment interests and other costs. Due to the fact that adhesion to RERD and PERES does not imply a mandatory abandonment of the court cases and those processes are still in court, CORTICEIRA AMORIM will continue to fight for its rights.

The liability amount under this caption includes the estimate of income tax payable by some foreign subsidiaries when the tax return for the year 2019 is presented.

Provisions for tax contingencies

In the year ended June 30, 2021, contingencies to deferred taxes with the item ending with 43.9 million euros. During the year, the provisions in the Balance Sheet increased by 564 K€. This variation is essentially due to the receipt of final declarations from SIFIDE 2019 and the calculation for the purposes of estimating SIFIDE 2020.

CORTICEIRA AMORIM's claims are pending, both in the judicial phase and in the non-contentious phase, and which may adversely affect CORTICEIRA AMORIM, refer to the financial years 1997, 1998, 1999 and 2003 to 2015.The most recent fiscal year analysed by Portuguese tax authorities was 2018.

These tax cases are basically related with questions like non-remunerated guarantees given between group companies, group loans (stamp tax), interest costs of holding companies (SGPS), and with the acceptance as tax costs of losses related with the closing of subsidiaries.

At the end of each year, an analysis of the tax cases is made. The procedural development of each case is important to decide new provisions, or reverse or reinforce existing provisions. Provisions correspond to situations that, for its procedural development or for doctrine and jurisprudence newly issued, indicate a probability of an unfavourable outcome for CORTICEIRA AMORIM and, if that happens, a cash outflow can be reasonably estimated. Note that during the year there were no developments worthy of note in the processes mentioned above.

The value of tax processes to date for the June 30, 2021 accounts amounted to 8.3 M€, being fully provisioned.

In addition to the tax provisions referred to above, CORTICEIRA AMORIM has recorded a provision to cover the tax benefits to apply for 2020 and applied in previous years. The certification requirement by ANI of SIFIDE projects, the requirement for maintenance of jobs over five years in RFAI projects as well as other constraints to the realization of benefits, has led CORTICEIRA AMORIM to record provisions in order to take account of future breaches of such requirements. It should be noted that the determination of the tax benefits can not be concluded, since its constraints extend over several years, in particular as regards the maintenance of jobs.

There are no tax proceedings that have not been provisioned, thus, contingent liabilities are zero.

CORTICEIRA AMORIM has a large number of other favourable processes. They refer, in essence, to payments related with autonomous taxation, inspection fees and tax benefits. The value of these processes amounts to 1.0 M€, which is not recorded as part of its assets. Total contingent assets amounts to 10.3 M€ (including amounts paid under the RERD and PERES).

14. INVENTORIES

thousand euros

	1H21	2020	1H20
Goods	19 381	14 858	11 595
Raw materials	168 881	206 702	185 767
Finished and semi-finished goods	119 469	129 182	138 652
Work in progress	17 459	21 757	35 734
Finished and semi-finished goods impairments	- 6 543	- 7 353	- 5 998
Raw materials impairments	- 1 526	- 1 036	- 1 617
Inventories	**317 121**	**364 109**	**364 132**

thousand euros

Impairment losses	1H21	2020	1H20
Initial Balance	**8 390**	**7 492**	**7 492**
Increases	1 405	2 351	779
Decreases	1 726	1 453	655
End Balance	**8 070**	**8 390**	**7 616**

Raw materials essentially include reproduction cork (“amadia”) and virgin cork from pruning the tree (“falcas”) (Raw Material BU), products and work in progress essentially include boiled cork and discs (Raw Materials BU) and finished products essentially include a variety of types of cork stoppers (Cork Stoppers BU), coverings (Floor and Wall Coverings BU) and composite products (Composite Cork BU).

15. OTHER DEBTORS AND OTHER ASSETS

- ## Other debtors

thousand euros

	1H21	2020	1H20
Advances to suppliers	26 944	5 828	35 952
Hedge accounting assets	87	1 973	923
VAT	19 075	20 790	18 454
Stamp tax/VAT - special payment (PERES)	2 051	2 051	2 051
Stamp tax/VAT - special payment (PERES) impairment	- 2 051	- 2 051	- 2 051
Others	9 365	7 133	15 778
Other debtors	**55 164**	**35 724**	**71 107**

As of December 31, 2021 and 2020, there were no overdue in the amounts of VAT.

Other non-current debtors include advances to suppliers (3,422 K€), which will only be fulfilled for more than 12 months.

- ## Other assets

thousand euros

	1H21	2020	1H20
Accrued income	1 216	455	325
Deferred costs	2 229	1 947	3 749
Other assets	**3 445**	**2 402**	**4 073**

16. CASH AND EQUIVALENTS

thousand euros

	1H21	2020	1H20
Cash	420	493	221
Bank Balances	92 973	61 997	70 200
Term deposits	9 253	7 638	7 854
Others	1 032	137	829
Cash and cash equivalents as for stament of financial position	**103 678**	**70 266**	**79 104**
Overdrafts	- 34 871	- 45 957	- 51 946
Cash and cash equivalents as for cash flow statement	**68 807**	**24 309**	**27 158**

17. CAPITAL AND RESERVES

- ## Share Capital

As of June 30, 2021, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

The Board of CORTICEIRA AMORIM is authorised to raise the share capital, one or more times, respecting the conditions of the commercial law, up to 250,000,000€.

- ## Treasury stock

As of June 30, 2021, CORTICEIRA AMORIM held no treasury stock.

No purchases were registered during the first half of 2021.

- ## Legal reserve and share premium

Legal reserve and share premium are under the legal reserve rule and can only be used for (art. 296 CSC - Portuguese commercial law):

- Offset losses in the financial position that cannot be offset by the use of other reserves;
- Offset losses of prior year that cannot be offset by the profit of the year nor the use of other reserves;
- Incorporation in share capital.

Legal reserve and share premium values are booked in Corticeira Amorim, SGPS, S.A. separate accounts.

- ## Other reserves

Value is composed from other reserves account and prior year's results of Corticeira Amorim, SGPS, S.A. books, as well as non-distributed cumulative results of Corticeira Amorim, SGPS, S.A. subsidiaries.

- ## Dividends

In the Shareholders' General Meeting of April 23, 2021, a dividend distribution of 0.185 euros per share was approved. The respective payment was made on May 17, 2021.

thousand euros

	1H21	2020	1H20
Approved dividends	24 605	24 605	24 605
Dividends paid	**24 605**	**24 605**	**-**

18. NON-CONTROLLING INTEREST

thousand euros

	1H21	2020	1H20
Initial Balance	**26 948**	**30 081**	**30 081**
In	17	70	70
Out	-	-5 056	- 2 111
Results	2 301	4 285	1 687
Dividends	- 535	- 1 948	- 144
Exchange Differences	- 17	- 264	- 656
Others	15	- 220	- 41
End Balance	**28 729**	**26 948**	**28 886**

The amount of Dividends corresponds to the amounts paid by the entities to non-controlling interests.

19. INTEREST BEARING LOANS

At year-end, current interest bearing loans was as follows:

thousand euros

	1H21	2020	1H20
Overdrafts and bank loans	47 401	61 810	70 942
Leasing	2 380	1 893	2 589
Factoring	251	89	-
Commercial paper	20 000	25 000	70 000
Interest-bearing loans - current	**70 032**	**88 791**	**143 531**

Non-current interest bearing loans was as follows:

thousand euros

	1H21	2020	1H20
Bank loans	23 064	27 514	27 620
Reimbursable grants	-	-	47
Leasing	3 906	4 760	3 531
Commercial paper	20 000	20 000	20 000
Bond loans	39 918	39 918	-
Interest-bearing loans - non-current	**86 889**	**92 192**	**51 198**

From non-current and current interest bearing debt, 93,299 K€ carries floating interest rates. Remaining 63,622 K€ carries fixed interest rate. Average cost, during 1H21, for all the credit utilized was 0.82% (2020: 1.01%).

On March 5, 2015, Corticeira Amorim entered into a loan agreement with the EIB in the amount of 35 M €, ten years, with a four-year grace period. This loan allowed Corticeira Amorim to expand substantially its maturity curve at a competitive price.

In May 21, 2019 Corticeira Amorim contracted a commercial paper program with guarantee of subscription by a bank entity. The program has an effective maturity of 3 years, so the emissions made during the first two years are classified as non-current. Only Corticeira Amorim has the option to revoke the program when the first year of the contract has passed.

On 3 December 2020, Corticeira Amorim launched its first Green Bond issue, in the amount of € 40 M, by private subscription, without guarantees and for a period of 5 years, earning interest at a fixed rate every six months and with staggered repayment (25% at the end of the 4th year and 75% at maturity). This issue was an important milestone in its sustainability strategy, reaffirming its ongoing commitment to the application of ESG (Environmental, Social and Governance).

As of June 30, 2021, CORTICEIRA AMORIM had credit lines with contractual clauses that include covenants generally used in these type of contracts, namely: cross-default, pari-passu and in some cases negative pledge.

CORTICEIRA AMORIM uses two credit lines on June 30, 2021 (for a total of 48 M€) with associated financial covenants. These included ratios accomplishment that allowed for an accompaniment of the financial position of the company, namely:

- assets coverage ratio;

- fixed charge coverage ratio;

- net income; e

- Net debt/ EBITDA (endividamento bancário e equiparado) / meios libertos totais.

The above ratios are not restrictive and the requirements contained in the contracts that formalized the referred financing were largely and fully complied with. In the event of non-compliance, there would be a possibility that this would lead to the early repayment of the debts.

In addition, it is important to inform that the capacity to ensure debt service was further enhanced by the existence, as of June 30, 2021, of 222 million euros of credit lines approved, but not used.

20. TRADE PAYABLES

thousand euros

	1H21	2020	1H20
Trade payables - current account	58 073	55 814	49 142
Trade payables - confirming	69 733	40 852	59 208
Trade payables -invoices pending	33 655	13 736	30 293
Trade payables	**161 461**	**110 402**	**138 643**

From the total values, 57% comes from Cork Stoppers BU (Dec. 2020: 50%) and 20% from Raw Materials BU (Dec. 2020: 24%).

21. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

- ## Other financial liabilities

thousand euros

	1H21	2020	1H20
Repayable grants	16 518	16 389	15 781
Agreement to acquire non-controlling interests	5 007	5 007	10 088
Other	414	40	477
Other financial liabilities - non current	**21 938**	**21 436**	**26 346**
Repayable grants	3 101	1 597	2 377
Agreement to acquire non-controlling interests	4 955	4 955	4 996
Accrued costs - supplies and services	5 175	3 208	5 438
Accrued costs - others	7 893	6 697	9 199
Other deferred income - others	596	302	81
VAT	9 701	6 458	9 636
State and social security - withholding and others	4 496	6 673	4 526
Other	10 448	11 348	9 895
Other financial liabilities - current	**46 364**	**41 238**	**46 148**

In Other financial liabilities is included a value of 835 K€ (Dec. 2020: 164 K€), which refers to exchange rate hedge derivatives.

The agreement to acquire non-controlling interests results from the purchase of S.A.S. ETS CHRISTIAN BOURRASSÉ, in which 60% of the share capital was first acquired, for the amount of 29 M €. The agreement provides for the subsequent acquisition by 2022 of the remaining 40% ("agreement for acquisition of non-controlling interests") at a price which, based on the value already paid for the first 60%, will also depend on the evolution of BOURRASSÉ's performance in next years. The first tranche of 10% was acquired during the month of July 2019, and in July 2020 the second tranche. In July 2021 will be acquired the third tranche corresponding to +10% of Bourrassé. The amount recognised in other financial liabilities corresponds to the remaining amount to be paid for the missing 20%, discounted at the average financing rate of Corticeira Amorim. The changes in present value are recognised in financial expenses and financial income. The increase of 1 p.p. of the financing rate would have an immaterial effect on the liability recognised.

- **Other liabilities**

thousand euros

	1H21	2020	1H20
Non-repayable - grants	3 281	3 116	3 138
Accrued costs - staff costs	20 751	14 100	20 350
Other liabilities - current	**24 032**	**17 216**	**23 487**

22. IMPAIRMENTS OF ASSETS

thousand euros

	1H21	1H20
Receivables	1 288	- 1 133
Tangible, intangible assets and others	59	- 119
Impairments of assets and non-current costs	**1 347**	**- 1 251**

Receivables include customers and other debtors.

23. NON-RECURRENT RESULTS

The non-recurring costs of the first half of 2020 relate to restructuring costs of the Cork Stoppers, Composite Cork and Floor and Wall Coverings BU in Portugal. During the first half of 2021 no non-recurring expenses were recorded.

thousand euros

	1H21	1H20
Restructuring costs	-	- 1 652
Non-current results	**-**	**- 1 652**

24. RELATED-PARTY TRANSACTIONS

CORTICEIRA AMORIM consolidates directly in AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. with head-office at Mozelos (Santa Maria da Feira, Portugal), Amorim Group holding company.

As of June 30, 2021, financial stake of AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. in CORTICEIRA AMORIM was 51%, corresponding to 51% of the voting rights.

CORTICEIRA AMORIM related party transactions are, in general, due to the rendering of services through some of AIP subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total sales of these subsidiaries to the remaining CORTICEIRA AMORIM companies totalled 6,714 K€ (Jun. 2020: 6,425 K€).

Sales from Quinta Nova, S.A., AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. subsidiary to CORTICEIRA AMORIM subsidiaries reached 5 K€ (Jun. 2020: 2 K€). Purchases totaled 61 K€ (Jun. 2020: 58 K€).

Cork acquired during 1H2021, from companies held by the main indirect shareholders of CORTICEIRA AMORIM, amounted to 307 K€ (Jun. 2020: 928 K€).

Balances at year-end 2020 and June 30, 2021 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

Services are usually traded with related parties on a "cost plus" basis in the range of 2% to 5%.

25. PROVISIONS

thousand euros

	1H21	2020	1H20
Tax contingencies	171	612	705
Guarantees to customers	569	475	722
Others	2 316	2 262	2 154
Provisions	**3 055**	**3 349**	**3 581**

Claims by the tax authorities are related with income tax, stamp tax and marginally VAT.

Trade receivables guarantees are essentially from Floor and wall coverings BU and are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Other contingencies include provisions for termination of employment and ongoing law suits.

26. ATIVITY DURING THE YEAR

CORTICEIRA AMORIM sales are composed by a wide range of products that are sold through all the five continents, over 100 countries. Due to this notorious variety of products and markets, it is not considered that this activity is concentrated in any special period of the year. Traditionally first half, specially the second quarter, has been the best in sales; third and fourth quarter switch as the weakest one.

27. OTHER INFORMATION

a) **Net profit per share calculation used the average number of issued shares deducted by the number of average owned shares. The non-existence of potential voting rights justifies the same net profit per share for basic and diluted.**

	1H21	1H20
Total issued shares	133 000 000	133 000 000
Average nr. of treasury shares	-	-
Average nr. of outstanding shares	133 000 000	133 000 000
Net Profit (thousand euros)	39 432	34 271
Net Profit per share (euros)	0.296	0.258

b) **Guarantees**

During its operating activities CORTICEIRA AMORIM issued in favour of third-parties guarantees amounting to 395 K€ in June 2021 (Dec. 2020: 1,023 K€).

thousand euros

Beneficiary	Amount	Purpose
Government agencies	77	Apoios a investimentos
Other	317	Diversos
TOTAL	395	

c) **Financial Assets and Liabilities**

Financial Assets are mainly registered in the Loans and Other Receivables caption. As for Financial Liabilities they are included in the Amortized Liabilities caption.

Detail is as follows:

	Financial assets at amortized cost	Financial assets at fair value	Derivatives as hedging	Total
				thousand euros
Trade receivables	161 360			161 360
Other debtors (note 15)	27 923		1 973	29 896
Other financial assets		1 603		1 603
Cash and cash equivalents (note 16)	70 266			70 266
Total as of December 31, 2020	259 549	1 603	1 973	263 125
Trade receivables	211 410			211 410
Other debtors (note 15)	27 823		87	27 909
Other financial assets		1 734		1 734
Cash and cash equivalents (note 16)	103 678			103 678
Total as of June 30, 2021	342 910	1 734	87	344 731

	Loans and payables	Accounts payable	Agreement to acquire non-controlling interests	Derivatives as hedging	Derivatives not designated as hedging	Total
						thousand euros
Interest-bearing loans (note 19)	180 983					180 983
Trade payables (note 20)		110 402				110 402
Other financial liabilities (note 21)	17 985	34 491	9 962	23	212	62 673
Total as of December 31, 2020	198 968	144 893	9 962	23	212	354 058
Interest-bearing loans (note 19)	156 921					156 921
Trade payables (note 20)		161 461				161 461
Other financial liabilities (note 21)	19 619	37 887	9 962	835	-	68 303
Total as of June 30, 2021	176 540	199 348	9 962	835	-	386 684

Corticeira Amorim understands that the fair value of the classes of financial instruments presented does not differ significantly from its book value, taking into account the contractual conditions of each of these financial instruments.

Current assets and liabilities, given their short-term nature, have an accounting value similar to fair value

Non-current net debt is mostly payable at a variable rate. The only fixed-rate was contracted during the year 2015. As there were no significant changes in the reference interest rates, the rate does not differ substantially from the current market conditions, and therefore the fair value does not differ significantly from the value Accounting. The remaining fixed -rate non -current debt corresponds to the Green Bonds, which were issued at the end of 2020.

In the case of Other financial liabilities (mainly grants with no interest bearing measured at fair value at initial recognition), given the initial adjustment differential for recognising in income, maturities and current interest rate levels, difference between book value and fair value is not significant.

d) Reconciliation of Alternative Performance Measures

According to the guidelines of the ESMA (European Sales and Marketing Association) of October 2015 on Alternative Performance Measures (APM), Corticeira Amorim presents below a table to reconcile APMs that are not directly readable in the primary financial statements.

Management report	Consolidated financial statements
Gross margin	Sales - Cost of goods sold and materials consumed + Change in manufactured inventories
Gross margin %	Gross margin / (Sales + Change in manufactured inventories)
Operational costs	Third party supplies and services + Staff costs + Impairments of assets - Other income and gains + Other costs and losses + Depreciation
Working capital	Inventories + trade receivables - trade payables + other operating assets - other operating liabilities
Invested capital	Goodwill + tangible fixed assets + intangible assets + right of use + working capital + investment properties + Investments in associates and joint ventures + other operating assets / (liabilities)
Net interest-bearing debt / consolidated debt	Current and non-current Interest-bearing loans - cash and cash equivalents
Financial autonomy	Equity / Total assets

28. SUBSEQUENTS EVENTS

As foreseen in the acquisition contract, an additional 10% of Bourrassé was purchased in July for €5 million, thus becoming the owner of 90% of Bourrassé.

Beside these events and until the date on which this report was published, there occurred no other important facts that could materially affect the financial position or future results of Corticeira Amorim or the subsidiary companies belonging to its consolidated group.

Mozelos, August 2, 2021

The Board of CORTICEIRA AMORIM, S.G.P.S., S.A.

António Rios de Amorim (Chairman)

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman)

Fernando José de Araújo dos Santos Almeida (Member)

Cristina Rios de Amorim Baptista (Member)

Luisa Alexandra Ramos Amorim (Member)

Juan Ginesta Viñas (Member)

José Pereira Alves (Member)

Marta Parreira Coelho Pinto Ribeiro (Member)

Cristina Galhardo Vilão (Member)

António Lopes Seabra (Member)

EY
Building a better working world

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Boavista, 36, 3º
4050-112 Porto
Portugal

Tel: +351 226 002 015
Fax: +351 226 000 004
www.ey.com

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

Limited Review Report on the Consolidated Financial Statements

Introduction

We have performed a limited review on the accompanying consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 30 June 2021 (showing a total of 1.074.069 thousand euros and a total equity of 594.761 thousand euros, including a net profit attributable to equity holders of the Group of 39.432 thousand euros), the Consolidated Statement of Income by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the six months period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Management responsibilities

Management is responsible for the preparation of consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34), and for the design and maintenance of an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the accompanying consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. These standards require that our work is performed in order to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements are not prepared in all material respects in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34).

A limited review of financial statements is a limited assurance engagement. The procedures performed consisted primarily of making inquiries and performing analytical procedures, and evaluating the evidence obtained.

The procedures performed in a limited review are substantially less in scope than those performed in an audit conducted in accordance with International Standards of Audit (ISA). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A. as at 30 June 2021, have not been prepared, in all material respects, in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34).

Porto, 23 September 2021

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

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
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Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número - Sede: Av. da República, 90 - 6.º - 1600-206 Lisboa
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