

ANNUAL REPORT
AND ACCOUNTS

2021

emip

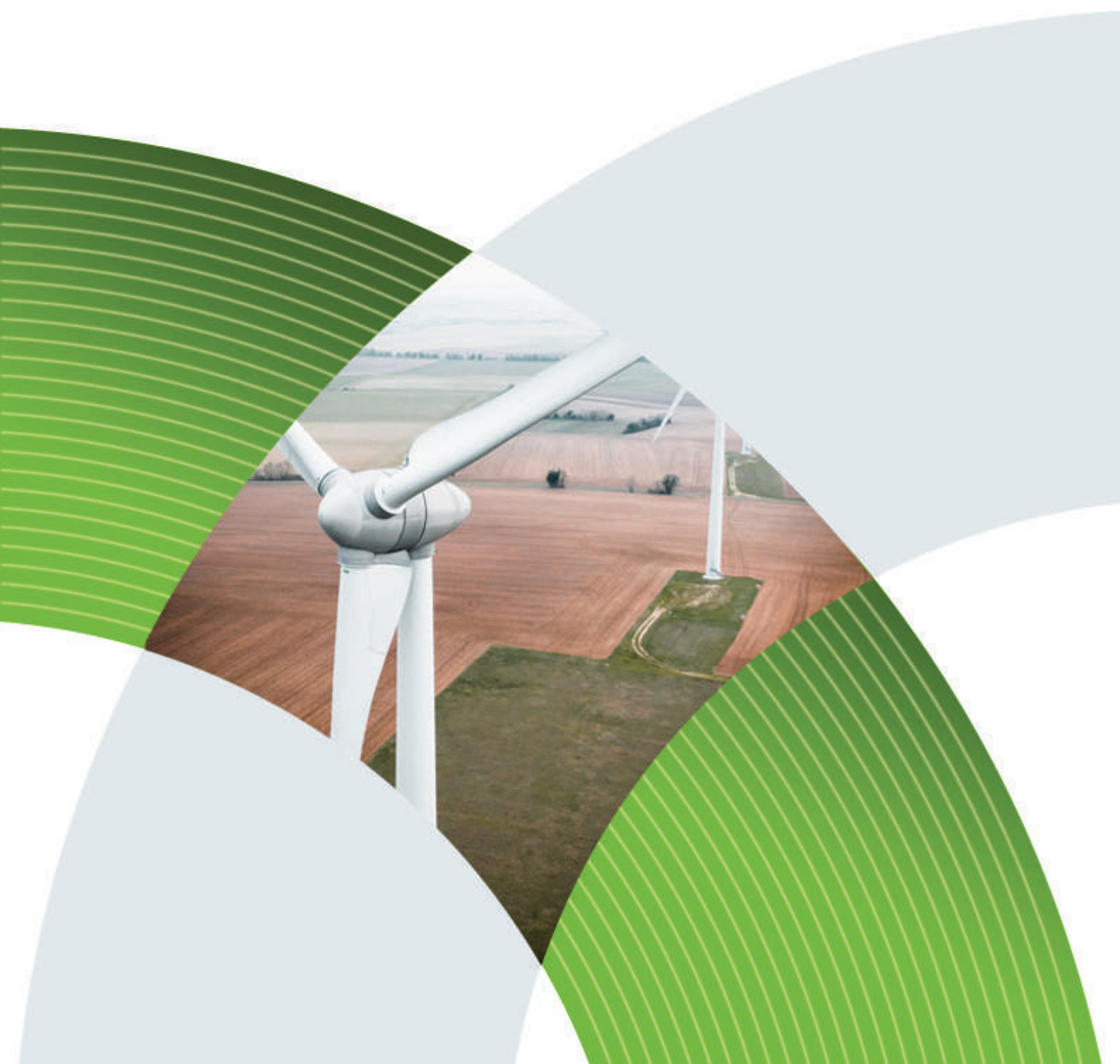


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ABBREVIATIONS

OMIClear

OMIClear, C.C., S.A.

OMI

OMI – Operador do Mercado Ibérico

OMIP

OMIP – Pólo Português, S.G.M.R., S.A.

OMIE

OMI – Polo Español, S.A.

OMIP, S.A.

OMIP SGPS

OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.

OMEL

Operador del Mercado Iberico de Energía, Polo Español, S.A.

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01

MESSAGE FROM THE CHAIRMAN

The year 2021 was marked by an economic recovery as a result of the rapid rollout of vaccines and the suspension of stricter rules on the movement of people enforced at the beginning of the COVID-19 pandemic.

Nevertheless, new lockdowns were imposed during the year as well as personal protection and hygiene measures to help reduce the spread of the disease, especially with the detection of new coronavirus variants.

This scenario of uncertainty led to high price volatility in international energy markets, Europe being directly affected due to its high energy dependence on fossil fuel imports. The increase in energy demand was not matched by supply. The supply of natural gas was restricted by Russia, Norway and North Africa, which increased competition for LNG cargoes between Europe and Asia, pushing up the price of this fuel to historic highs in the second half of the year. The increase in natural gas prices was directly reflected on the European electricity markets, which were still impacted by the reduction in hydro and wind power production, as well as the extent of outages of some nuclear power plants. Another factor that contributed to the rise in electricity prices was the strong increase in CO2 emission allowances, with the European reference contract almost tripling in value during the year.

Against this backdrop of uncertainty, the European Union (EU) has continued to pursue the development of internal electricity and natural gas markets and the decarbonisation of the econo-

my. The European Commission, led by President Ursula von der Leyen, approved the new “Fit for 55” package which includes a series of legislative and policy proposals to enable the EU to meet its new target of dropping greenhouse gas emissions by 55% by 2030.

In the Iberian scenario, the resolution of 6 May 2021 of the National Markets and Competition Commission (CNMC) approved the operating rules of the Daily and Intraday Electricity Markets to adapt the offer limits to the European matching limits. This harmonisation provided for by the European Association for the Cooperation of Energy Regulators (ACER) changed the minimum and maximum price range from 0 and +180.30 €/MWh to -500 €/MWh and +3,000 €/MWh for the daily market, and -9,999 €/MWh and +9,999 €/MWh for the intraday market. Meanwhile, the governments of Spain and Portugal had to apply emergency measures to reduce the impacts of the increase in electricity prices in the wholesale market for end consumers, namely VAT reduction, suspension of the generation tax, extraordinary auctions, among others.

The OMI Group is a reference player in the transition to a sustainable greener approach and its member companies are at the forefront of industry initiatives in Europe. Market operators, OMIP and OMIE, and the OMIClear Clearing House are involved in several initiatives with a strong focus on creating the conditions for renewable energies to enter the market in such a way as to help their development, and especially the financing thereof.



In particular, OMIP was a key player in the implementation and operationalisation of the GO-PT Auctions (Portuguese Guarantee of Origin Auctions) which began in July 2021. These auctions quickly gained prominence at European level, attracting Portuguese and international participants. In the 5 sessions held in 2021 a total of 18.4 TWh were awarded, corresponding to revenue of €9.2 million, with the net results of these auctions being deducted from the overcost with renewables borne by Portuguese consumers.

The operational capacity on the OMIP forward electricity market increased by +7% in traded volume, despite the general downward trend in activity in other European markets. Thus, in the Spanish market electricity derivatives volumes traded went up +1% compared to 2020, while other European markets traded volumes dropped, for example, France down 31% and Germany down 19% compared to the previous year.

The recovery of traded volumes at OMIP was especially due to the registration of longer term contracts, also known as PPAs, after the market extended the maturity curve of Iberian electricity contracts from 7 to 10 years still in 2020. At the end of 2021, the 10-year maturity contracts (Year 2031) reached an open interest of 771 GWh, OMIP being the exchange with the highest volume of Spanish derivative contracts at the longest term.

Regarding the outlook for 2022, OMIP, like other OMI Group companies, will continue to be active and will monitor the development of the domestic electricity and natural gas markets, in the context of energy transition and decarbonisation of the economy. OMIP will continue to work towards expanding its portfolio of natural gas services, developing tools to facilitate managing the risks associated to different pricing between electricity and natural gas, for example, Financial VTP-ES Natural gas Futures, Financial Spark Spread, and VTP-TTF Natural Gas Spread. OMIP will also be involved in other market activities, especially in organising electricity, natural gas, and guarantees of origin auctions, and access rights for injecting photovoltaic solar energy into the power grid.

This strategy to expand the portfolio designed to meet the needs of market agents, together with the high level of client service always provided by OMIP gives our company the trust and courage needed to face the challenges ahead, in particular the fierce increase in competition and the ever more stringent legislative and regulatory framework to which it is subject.

Consequently, the immediate steps will be to continue to diversify in order to mitigate risks, most of which are beyond our control, and to maintain a very tight cost structure, yet flexible enough to efficiently respond to any opportunity. This is the context in which OMIP, braced with the necessary flexibility, will face the new challenges, projects and business opportunities.

Finally, we would like to thank the entire OMIP team, including the non-executive Directors, for their excellent work in these difficult times, and to express our thanks to all the shareholders for their constant support and trust.

Lisbon, 22 March 2022

Martim Vasconcelos Sá
Chair of the Board of Directors

02

COVID—19



COVID—19

The second year of the COVID-19 pandemic continued to affect the economy in general, to which financial markets were not immune. Despite advances in vaccination rollout and the drop in the number of deaths caused by the disease, 2021 still saw new lockdowns to reduce the spread of the virus, leading to the postponement of face-to-face events, less travel, and high levels of instability and uncertainty.

An event of this magnitude inevitably brought with it new risks and stressors to the energy sector, and to OMIP's activity in particular. Some of these instability factors were difficult to identify and foresee, at least at an initial phase, and others were totally beyond the control of OMIP as they were mostly related to the impacts of the pandemic on the activity of market agents, clients and external service providers.

One of OMIP's priorities since the pandemic outbreak was to assess the main risks and potential impacts, and to implement all possible mitigation measures to cover its activity and relationship with its clients. Thus, in the first quarter of 2021 a survey identified the following major events:

- Disruption or interruption in market operations to which it is linked;

- Decrease in registered volumes and in general activity on the market;
- Decrease in demand for products and services offered by OMIP, due to the decrease in economic activity, and consequent drop in electricity consumption and the need for hedging in forward markets;
- Possibility of key staff being prevented from working due to Covid-19 infection or related diseases;
- Decrease in OMIP's operational efficiency as a result of employees working remotely;
- Decrease in the operational efficiency of OMIP's participants and clients due to the fact that their employees are working remotely;
- Impact on external service providers and their ability to maintain the contracted service levels;
- Delays in the rollout of new products and in developing strategic initiatives;
- Impacts on the capacity to expand the agent base and increase the volume and level of activity in the markets to which it is associated, since it is impossible to hold face-to-face meetings and agent committees, in addition to other constraints arising from social distancing;

- Increased operational and financial stress felt by Clearing Members, due to high levels of volatility, and significant potential losses resulting from reduced trading or default events;
- Increased risks related to technological platforms and IT security.

Thanks to the measures implemented throughout the pandemic, including the adoption of a mixed arrangement between on-site and remote work, frequent disinfection and cleaning of common work areas in the building and individual workstations, mandatory use of a mask when in close proximity to other employees, asynchronous work shifts, and ruling out face-to-face meetings with people external to OMIP, no employees were infected and the virus did not spread in the company. As such, the company's operational efficiency was not affected.

The teleworking model adopted followed the rules set by the Portuguese General Directorate for Health, rotating between a mixed arrangement and teleworking only. It should be noted that the implementation of such arrangements did not affect forward market management, the quality of services rendered, the plan to roll

out new products and services, and the development of new initiatives. The usual high level of service quality that characterises OMIClear was maintained, with no disruption or disruptive event clouding the company's various activities. This is both the result of the effort and work carried out by the Systems team, who by complying with strict computer security protocols was able to ensure the remote access of all employees to computer platforms and systems, and to the fact that all employees were able to adapt to all constraints related to teleworking, overcoming the challenges thereof.

Given the unique and unpredictable nature of the pandemic, its impacts are still largely unknown and may extend over time, years even. Due to the spread of the virus, the Portuguese and Spanish governments implemented measures restricting freedom of movement of people and social contact, with the result that usual travelling, visiting and face-to-face meetings were no longer allowed, including holding agents' committees, an activity that enabled more direct contact with market entities. Nevertheless, bilateral conversations continued with agents via video calls, to maintain proximity and meet the needs of the market.



03

2021 FINANCIAL YEAR

3.1 Background

The Iberian Electricity Market (MIBEL), a joint venture of the governments of the Republic of Portugal and the Kingdom of Spain, aims at building a regional market that is consistent with and a facilitator of a much broader market: the Domestic Energy Market.

Both countries designated OMIP as the managing entity of the futures markets, alongside OMIE, in charge of managing the daily and intra-day market sessions.

It is in this capacity that OMIP, founded in June 2003, manages the MIBEL Derivatives Market together with OMIClear, founded in April 2004, to serve as Central Counterpart for market transactions.

OMIP and OMIClear function under Portuguese legislation and are, under this scope, recognised respectively as operator of the regulated market and as Central Counterpart, both registered with CMVM (Comissão do Mercado de Valores Mobiliários, the Portuguese Securities Market Commission).

In accordance with the International Agreement of Santiago, a Board of Regulators supervises MIBEL's activity. This Board comprises regulators from the financial sector (*CMVM and Comisión Nacional del Mercado de Valores*) and from the energy sector (*Entidade Reguladora dos Serviços Energéticos and Comisión Nacional de los Mercados y la Competencia*) of both countries.

3.2 Organisation

OMIP's organisational structure is designed so as to ensure regular and effective market operation and, at the same time, to resolve all queries received from participants, supervisory authorities and the general public.

In addition to its own resources, agreements were concluded with other OMI group companies concerning the provision of services, which, to the extent provided for in the law, enables available human resources to be better allocated and managed.

As at 31 December 2021, the company had 13 staff (4 women and 9 men).

3.3 OMI

OMI's final corporate structure was implemented in 2011, pursuant to Article 4 of the International Agreement of Santiago, revised and amended by the Braga Agreement, which states that OMI "*shall comprise two holding companies, with head-office in Portugal and Spain respectively, with cross-shareholdings of 10 % and where both companies will hold 50 % of each of the market managing companies ...*". Figure 2 illustrates the agreed model.

In this context, on 18 October 2011 the holding companies OMIP SGPS and OMEL came to control 50:50 of the equity capital of each of the market managing companies OMIP and OMIE. In addition, the corporate governance model foreseen was implemented, consisting of



FIGURE 1
OMIP'S ORGANISATIONAL STRUCTURE

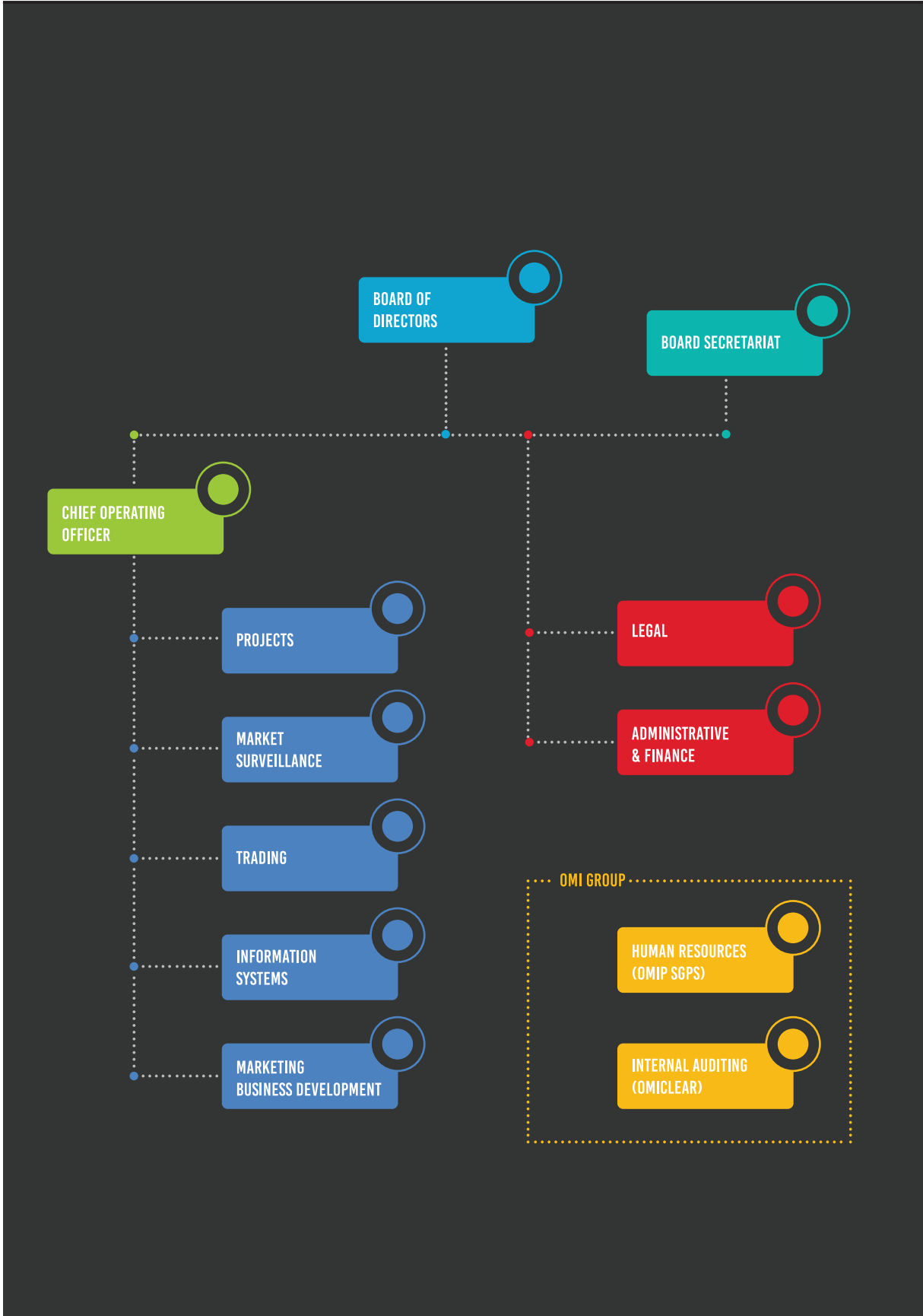
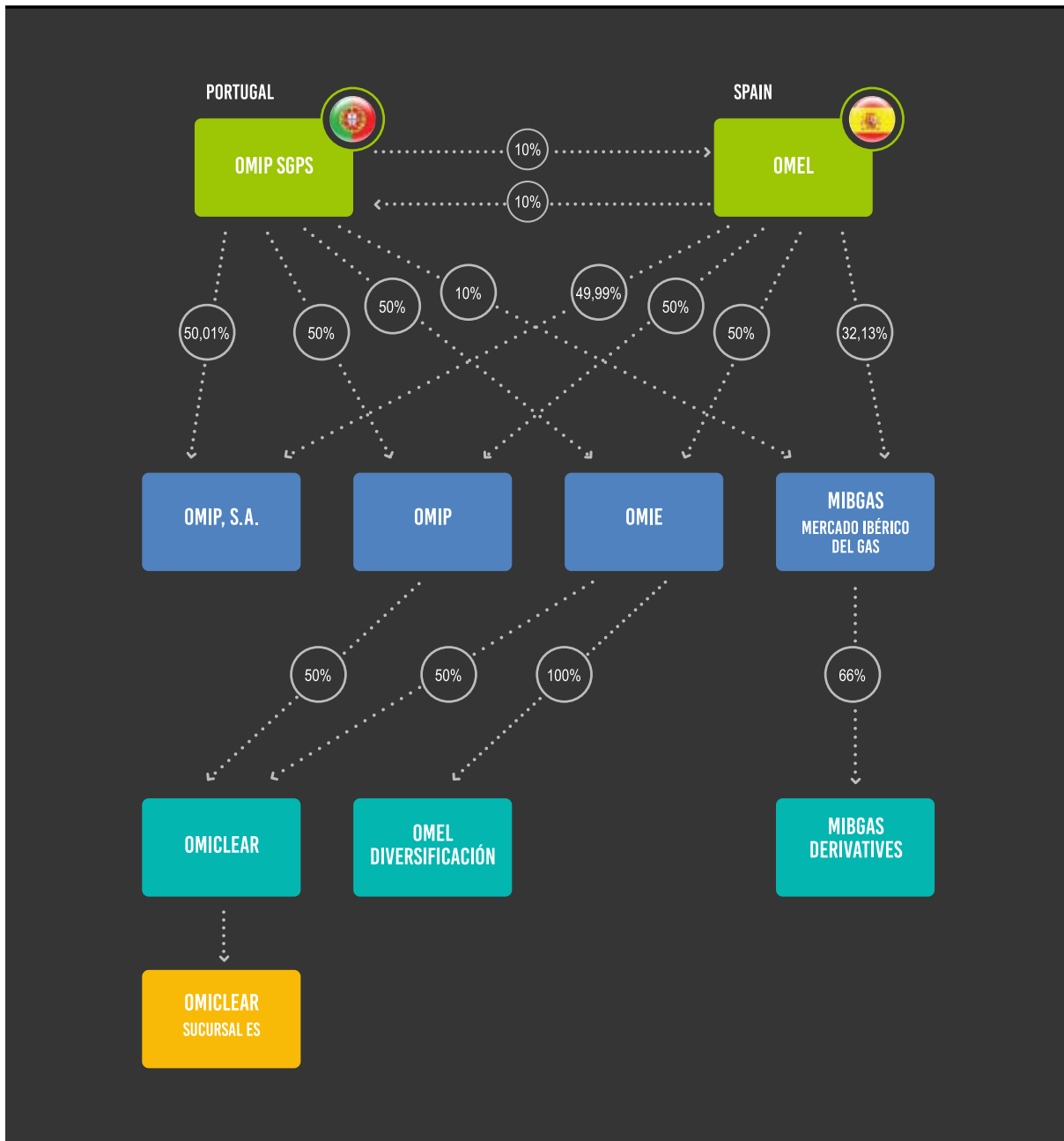


FIGURE 2
CORPORATE ORGANIZATION CHART OF THE OMI GROUP



a Board of Directors common to both market managing companies, OMIP and OMIE.

On 12 September 2013, OMIE became part of OMIClear's shareholding structure through capital increase, thus completing OMI's model laid down in the International Agreement.

2014 and 2015 were years of consolidation and internal reorganisation with the purpose

of adapting to prudential organisational and risk management requirements applicable to OMIClear's activity, a situation that also affected OMIP.

2021 represented the fifteenth full year of activity performing the duties entrusted to the Portuguese division of the Iberian Electricity Market Operator, producing marketing for dissemination among market members.

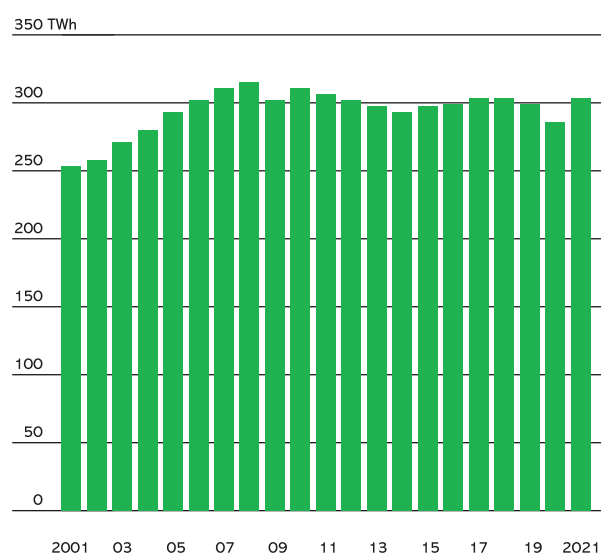


04

DEVELOPMENT OF THE MIBEL DERIVATIVES MARKET

Volumes traded in the MIBEL derivatives market in 2021 totalled 36.0 TWh compared to 33.6 TWh in 2020, i.e., a 7% increase. Volumes traded on continuous markets increased 13%, which happened for the third year running. The volume of bilateral contract registrations also recovered this year – up 10% – while the volume of LRS (Last Resort Supplier) and SRP (Special Regime Production) auctions at OMIP dropped 8% compared to 2020. A number of factors contributed to this situation, for example, greater regulatory stability, but mainly the tendency for agents to seek solutions for hedging price risk for longer-term horizons, at a time of increasing renewable energy penetration and price volatility in energy markets.

FIGURE 3
ELECTRICITY CONSUMPTION IN THE IBERIAN PENINSULA (TWh)



As a result of the first successful fight against the Covid-19 pandemic and the beginning of an economic recovery, electricity consumption recovered in the Iberian Peninsula compared to the previous year: up 8.4% in Spain and 1.4% in Portugal, resulting in an increase of 7.2% in the Iberian Peninsula as a whole.

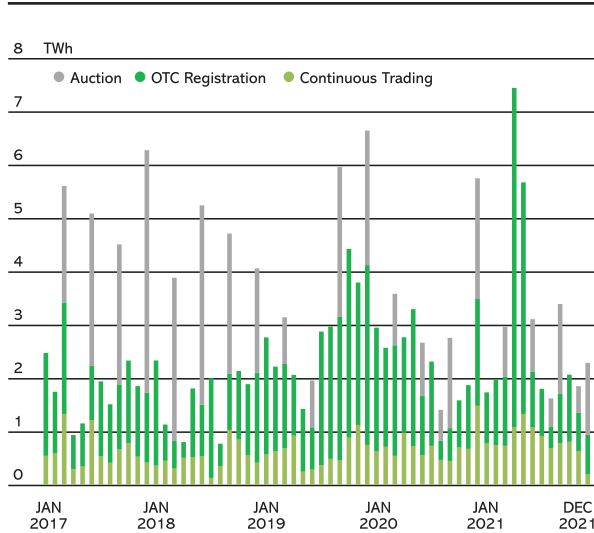
TABLE 1
MAIN ACTIVITY INDICATORS

	2021	2020
Traded volume (TWh)	36.0	33.6
Notional traded volume (M€)	2 941.3	1 409.8
Trading members	70	70

The number of trading members at the end of 2021, as shown in detail below, was the same as in the previous year: 70 trading members. Two members ceased their activity and two new members were admitted, resulting in a zero balance. The activity of some members who were suspended was resumed, through a new bank who took on the activity of General Clearing Member at the Clearing House, OMI-Clear. OMIP also admitted a new OTC Broker, totalling 10 entities.

Traded volumes in April and May were clearly higher than in the rest of the months, due to the registration of new 10-year PPAs. Note also that, on average, in 2021 about 3.0 TWh were traded each month, compared to 2.8 TWh in 2020.

FIGURE 4
ENERGY VOLUME TRADED ONLINE (TWH)



The analysis of volumes traded every year shows that they increased in 2021. A volume of 36.0 TWh was traded online (Continuous and Auctions), up 7% compared to the previous year.

FIGURE 5
ANNUAL VOLUME TRADED ONLINE (TWH)

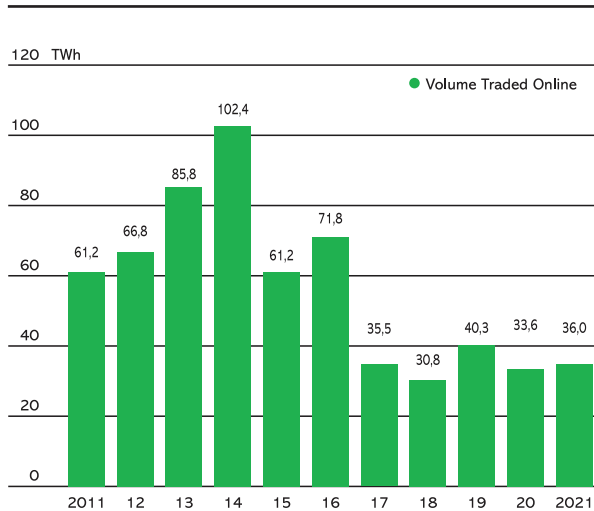
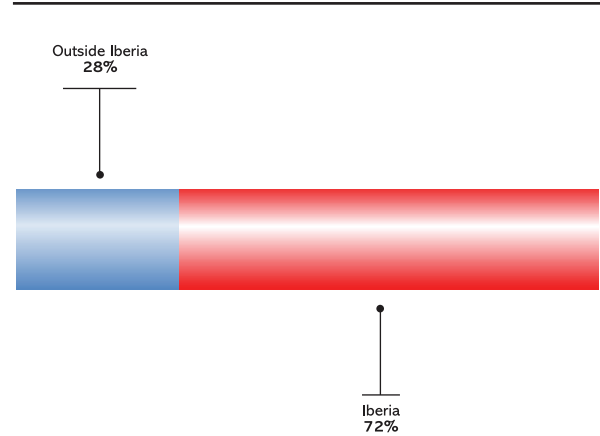


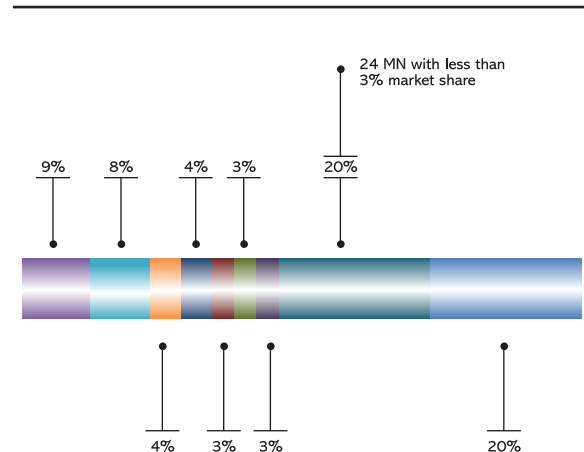
Figure 6 shows that 72% of the total volume was traded by companies domiciled in the Iberian Peninsula, a percentage higher than that in 2020 (65%), showing the increasing weight of Iberian entities in the MIBEL forward market.

FIGURE 6
MARKET SHARE ACCORDING TO THE LOCATION OF THE TRADING MEMBER



The distribution of market share among all trading members in 2021 (see Figure 7) is similar to that of the previous year, where the volume continued to be distributed among the different market members. In 2021, the three most active agents represented about 45% of the total traded volume (42% in 2020). This indicator of traded volume distribution should be highlighted, since it confirms that the electricity market in the Iberian Peninsula is still competitive.

FIGURE 7
MARKET SHARE BY TRADING MEMBER



As regards contracts listed for trading, and in terms of equivalent energy, annual contracts were traded the most, with about 61.9% of the total portfolio available at OMIP, as shown in Figure 8, followed by quarterly and monthly contracts. Short-term maturity instruments are still clearly the ones with the least market share.

Weekly contracts represent 0.3% of traded volume, while weekend and daily contracts represent less than 0.1%.

FIGURE 8
WEIGHT OF TRADED VOLUME BY TYPE OF CONTRACT IN 2021

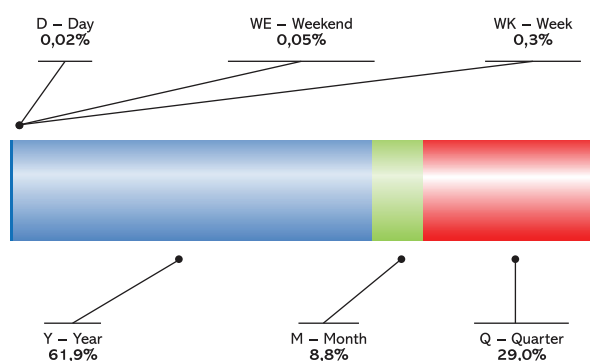


Table 2 lists all the OMIP members, as at 31 December 2021, indicating the Trading Member Dealers, Trading Member Brokers and OTC Brokers.

The geographical distribution of members, shown in Figure 9, shows two highly representative divisions. One is in the Iberian Peninsula (Spain, in particular), where companies with assets and stakes in the production and sale of electricity stand out, and another in the United Kingdom, mostly consisting of financial companies, banks and investment funds.

TABLE 2
MIBEL DERIVATIVES MARKET MEMBERS

Company	Trading Member Dealer	Trading Member Broker	OTC Broker
Acciona Green Energy Developments, S.L.			
Alpiq AG			
Antuko Energía S.L.			
Arraco Global Markets			
AXPO Iberia, S.L.			
Banco Santander, S.A.			
BP Gas Marketing Limited			
Céltica Energía, S.L.			
Cepsa Gas y Electricidad			
CIMD – Corretaje e Información Monetaria y de Divisas			
Citadel Energy Investments (Ireland) DAC			
Comercializadora Regulada, Gas & Power, S.A.			
Danske Commodities, A/S			
Dreue Electric S.L.			
Ecochoice, S.A			
EDF Trading Limited			
EDP Energias de Portugal, S.A.			
EDP España, S.A.U.			
Endesa Energía S.A.			
Endesa Energía XXI, S.L.			
Endesa Generación, S.A.			
Energía DLR Comercializadora, S.L.			
Enérgya VM Gestión de Energía, S.L.U.			
Enforresco S.A.			
Engie Global Markets SASU			
Eni Global Energy Markets SpA			
Enmacc GmbH			
Evergreen Electrica S.L			
Factor Energía, S.A.			
Fenie Energía			
Foener Energía, S.L.			
Fortia Energía Servicios			
Fortia Energía, S.L.			
Freepoint Commodities Europe LLP			
Futura Energía y Gas, S.L.U.			
Galp Gás Natural, S.A.			

(cont. next page)



Company	Trading Member Dealer	Trading Member Broker	OTC Broker
Gas Natural Comercializadora S.A.			
GeoAtlante S.L.			
Gesternova, S.A.			
GFI Brokers			
Gnera Energía y Tecnología			
Goldman Sachs Bank Europe SE			
Griffin Markets			
HEN - Serviços Energéticos, Lda.			
Holaluz-Clidom			
Iberdrola Cliente España, S.A.U.			
Iberdrola Comercialización de Último Recurso, S.A.U.			
ICAP Energy, AS			
ICAP Energy, Ltd			
Ignis Energía			
Ingeniería y Comercialización del Gas (Incogas)			
Jafplus Energía Lda			
Kyonysys Century S.L.U.			
Ledesma Comercialización Eléctrica, S.L.			
Macquarie Bank Limited			
Marex Spectron International			
Mercuria Energy Trading, S.A.			
Naturgy Commodities Trading, S.A.			
Nexus Energía, S.A.			
PETROGAL, S.A.			
PH Energía, Lda			
Régsiti Comercializadora Regulada S.L.U.			
Repsol Generación Eléctrica, S.L.U.			
Repsol Trading, S.A.			
Shell Energy Europe Ltd.			
SU Eletricidade, S.A.			
SWAP Energía, S.A.			
Switch Energy, S.L.			
TotalEnergies Gas & Power Limited			
TP ICAP (Europe)			
Tullett Prebon (Europe) Limited			
Tullett Prebon (Securities) Limited			
TrailStone GmbH			
Uniper Global Commodities SE			
Vertsel Energía S.L.U.			
Viesgo Renovables			
Villar Mir Energía S.L.U.			

As at 31 December 2021, the MIBEL Derivatives market comprised 66 Trading Member Dealers, 6 Trading Member Brokers, and 10 OTC Brokers, as shown in Table 3.

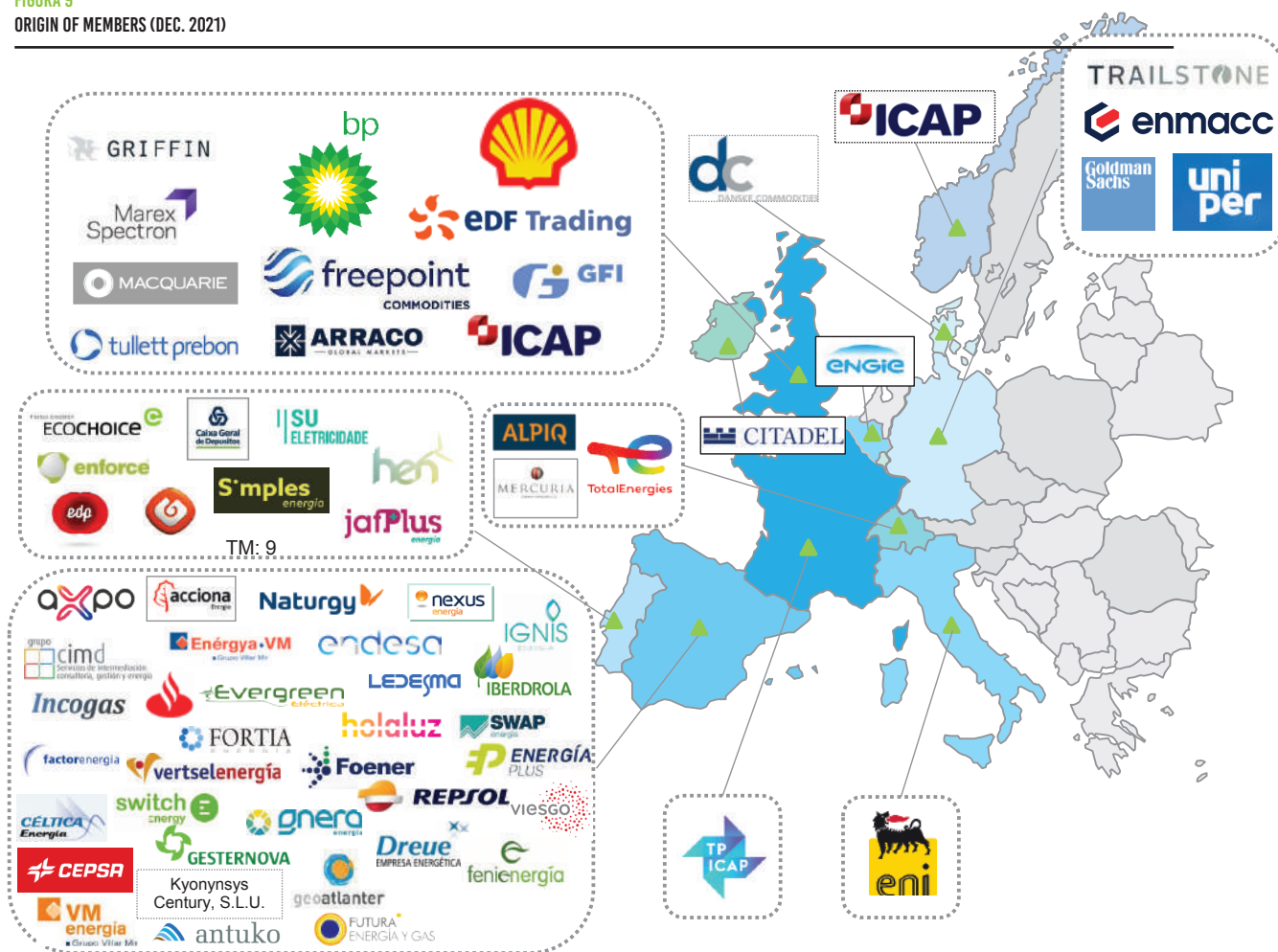
As regards Trading Member Dealers, the Iberian members prevail, whereas the majority of Trading Member Brokers and OTC Brokers continue to be from outside of the Iberian Peninsula.

In 2021, Energia DLR Comercializadora and Futura Energía y Gas were admitted as trading members, and Goldman Sachs International and Naturgy Energy Group ceased their activity as trading members. Enmacc GmbH was admitted as OTC Broker.

TABLE 3
ORIGIN OF OMIP TRADING MEMBERS (AS AT 31 DECEMBER 2021)

Origin	Trading Member (Dealer)	Trading Member (Broker)	OTC Broker
Spain	42	2	1
Portugal	9		
United Kingdom	6	1	6
Germany	2	1	1
France		1	1
Norway		1	1
Switzerland	3		
Belgium	1		
Denmark	1		
Ireland	1		
Italy	1		
Total	66	6	10
Iberian	51	2	1
Non-Iberian	15	4	9

FIGURA 9
ORIGIN OF MEMBERS (DEC. 2021)



In terms of prices, Figure 10 shows the changes regarding the first quarterly contracts in the two MIBEL zones and in the French and German zones throughout 2021. The second quarter is of note, when Iberian prices were around 10 €/MWh above the prices of the other two central European countries, while in the fourth quarter, which saw a strong price hike, the French zone was the most affected, with spreads higher than those of the Iberian zone by 367 €/MWh. This was due to increased concerns over natural gas supply in Europe during the winter period, when there is greater demand, combined with unscheduled maintenance works at some nuclear plants in France.

FIGURE 10
CHANGES IN FUTURE CONTRACT PRICES - FOLLOWING QUARTER (Q+1) IN THE SPANISH AND PORTUGUESE MIBEL ZONES, FRENCH ZONE, AND GERMAN ZONE.

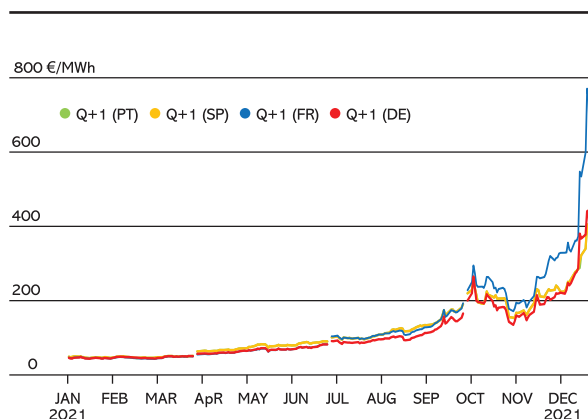
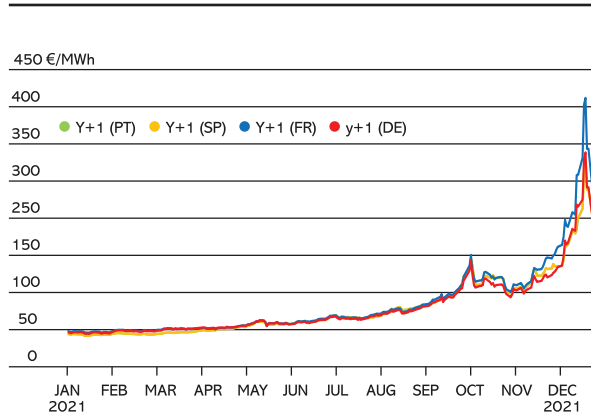




FIGURE 11
CHANGES IN FUTURE CONTRACT PRICES - FOLLOWING YEAR (Y+1), IN THE SPANISH AND PORTUGUESE MIBEL ZONES, FRENCH ZONE AND GERMAN ZONE.



A similar trend is found in annual contracts (Year+1), shown in Figure 11, with a significant increase in prices throughout the year, especially in the French zone. In December, the French annual contract reached a maximum of 407 €/MWh, around 100 €/MWh above the corresponding contract in the MIBEL zone.

The table below summarises some of the most relevant events in 2021.

TABLE 4
SUMMARY OF 2021

EVENTS

Axpo Iberia and Endesa were selected through tender as market makers for the whole of 2021.

In April 2021, the volume traded at OMP was 7.47 TWh, the highest monthly volume in the last 5 years.

During 2021, a record number of PPAs were registered at OMIP. The 10-year maturity contracts (Year 2031) achieved an open interest of 771 GWh, OMIP being the exchange with the highest volume of longest-term Iberian derivatives.

Special Regime Placement Auctions held quarterly for delivery in the Portuguese MIBEL zone. Traded volumes amounted to 4.79 TWh.

Quarterly Portuguese Last Resort Supplier purchase auctions. Traded volumes amounted to 1.23 TWh.

OMIP organised 3 online training sessions on the MIBEL Energy Derivatives Market.

Online training session jointly organised with COGEN, on the operation of the Iberian Electricity Market.

05

REGULATION



REGULATION

The development and level of sophistication of financial instruments markets have called for the need to strengthen the regulatory framework, including OTC (over-the-counter trading), so as to increase transparency, better protect investors, increase trust, address the non-regulated areas, and ensure that the supervisory authorities have the necessary powers to perform their tasks.

To this end, the legal package of the Directive on Financial Instruments Market (DMIF II) established a comprehensive regulatory regime to regulate transactions in financial instruments, regardless of trading methods used to execute them, seeking to ensure high quality investor transactions and support the integrity and overall efficiency of the financial system.

The application of the DMIF II/RMIF process is currently in a phase of stability, so its results are being assessed and issues where improvements need to be made are being identified. To this end, the European Commission launched a public consultation in 2021 on the review of Delegated Regulation 2017/583 (pre- and post-trade transparency in commodities), as well as of Delegated Regulation (EU) 2017/591 (position limits), with OMIP having participated in the preparation of responses submitted by

Europex, the European Association of Energy Exchanges.

On the other hand, the Commission has identified the need for an ad hoc (Quick-Fix) intervention to mitigate the effects of the COVID-19 pandemic on the functioning of the financial instruments markets. After a period of consultation, Directive (EU) 2021/338 of the European Parliament and of the Council of 16 February 2021 was published, amending Directive 2014/65/UE as regards information requirements, product governance and position limits, and Directives 2013/36/UE and (EU) 2019/878 as regards their application to investment firms, to help the recovery from the COVID-19 crisis. On a domestic level, these amendments were transposed to Decree-law No 109-H/2021 of 10 December, which, among others, amended the Securities Code for the fortieth time.

In the energy sector legislation and regulation, Decree-law No 15/2022 of 14 January was published at the beginning of 2022, which promotes very relevant changes in the electricity sector in Portugal by establishing a new organisation and operation of the National Electricity System, transposing Directive (EU) 2019/944 and Directive (EU) 2018/2001.

06

INFORMATION SYSTEMS



INFORMATION SYSTEMS

Following on from the work carried out in previous years, in 2021 OMIP's information systems focused on the following essential aspects:

Management of the relationship with external suppliers

- Support to communication between technology suppliers and operational departments;
- Maintenance of the infrastructure to support technical services;
- Service level and quality management.

Support and maintenance of applications and internal and external services:

- Specification and testing of new technical functionalities or changes in existing ones;
- Coordination in the implementation of changes in productive or non-productive environments;
- Support and communication with agents for notifying changes or problem solving;

- First line support to solving technical problems (helpdesk service);
- Carry out daily procedures to check the normal operation of systems;
- Analysis and adjustment to regulatory requirements.

Design, specification and testing of new solutions and functionalities, and improvement of applications used.

Participation in the maintenance of business continuity systems and information security management:

- Checking and updating of documents;
- Periodical tests to systems and infrastructure.

In 2021, the execution of the aforementioned activities focused primarily on developing new solutions and implementing new functionalities in existing technological platforms, namely:

- Development and entry into production of the OMIPrices platform, which will support the production of reference prices and end-of-day outputs by the Trading Department;
 - Specification and contracting the development of a component to allow the registration of bilateral trading to clients (brokers) who have no interest in being connected to Trayport. This component is scheduled to go into production next year (2022);
 - Development of various small alteration to the OLMC Portal, the most relevant of which was the migration of Natural Gas agent codes to the CRIA encoding, disclosed by an ERSE order;
 - Development of a new bid platform (auctions) to replace the service currently provided on the OMIPlus- A platform (still underway at the end of the year).
- Development of views on the internal database to feed the new OMIPrices platform;
 - Development of processes to automatically obtain price information on electricity and gas markets from different external sources (EEX, Bloomberg, MIBGas);
 - Adaptation of the current auction platform's allotment algorithm for BRR auction execution

Finally, within the scope of information security and business continuity, in 2021 the following work was carried out by or assisted directly by the Information Systems Department:

- Analysis and mitigation of events identified by the SIEM/SOC;
 - Updating the disaster recovery solution in the Office, and prepare and conduct disaster recovery tests therein;
 - Acquisition and implementation of the PAM platform for managing, monitoring and auditing server management and administration accesses.
- At internal level, we highlight the support for the creation of new technological solutions to assist the operations in the company's most important logical areas:



07

OTHER ACTIVITIES

7.1 Special regime production placement auctions

The terms and conditions governing the special regime production placement auctions, published in an annex to Directive 5/2011 of ERSE (the Energy Services Regulatory Authority), of 24 November, define OMIP as the entity responsible for organising auctions. This is a regulated mechanism for the sale of electricity production by EDP - Serviço Universal, S.A., within its function as Last Resort Supplier, which involves the auctioning of futures contracts with delivery in the Portuguese zone of the Iberian Electricity Market (MIBEL). The above Directive establishes that auctions follow the clock auction model. For the purpose, OMIP decided to include these auctions as part of the MIBEL Derivatives Market, running them during the course of a special trading session. Four auctions were held in 2020, with all the contracts offered for sale by the last resort supplier being sold.

7.2 Last Resort Supplier purchase auctions

The Regulation on Trade Relations (RRC – *Regulamento de Relações Comerciais*) and the Tariff Regulation (RT – *Regulamento Tarifário*) enshrine the separation of functions between the purchase and supply of electricity to clients and the purchase and supply of electricity from special regime production, both carried out by the Last Resort Supplier (LRS). In the specific case of purchase and supply of electricity to

clients, the RRC, in its articles 168 and 169, establishes that the LRS must purchase electricity through regulated mechanisms expressly provided for this purpose. In addition, the LRS must also purchase electricity to supply its clients in organised markets, namely in organised forward markets. The regulated mechanism for electricity forward contracts to supply the LRS takes the form of acquisition of futures contracts of products listed on the market managed by OMIP, through auction trading. Four actions took place in 2021, with all contracts offered being placed.

7.3 Capacity rights of use (gas)

Natural gas requires complex network infrastructures and terminals where energy flows occur associated with its transport, as well as the centralised management of systems. As such, for the markets to work properly, the calculation of the allocation and the technical and economic management of the rights of those capacities (DUCg) are of utmost importance.

In this sense, OMIP was contacted by REN - Gasodutos, S.A. em 2013, to operationalise the new capacity allocation mechanisms in the various infrastructures of the National LNG Transport, Storage and Infrastructure and Terminal Network (RNTIAT), exploring the concept of ex-ante contracting of Capacity Rights of Use (CRU) in the natural gas infrastructures, in primary issuance and on a secondary market. In accordance with Article 33 of the Regulation on Access to Networks, Infrastructures and In-



terconnections of the natural gas sector (RARII) – version 2013 – objective, transparent and non-discriminatory mechanisms based on market criteria should be used to give adequate economic signs to market agents involved and to comply with other principles laid down in regulation (EU) 714/2009, of 13 July. The Regulation also provides for the use of products and rules for capacity allocation consistent and in harmony with the practices advocated by the Commission at European level, in particular the European Grid Code for allocating infrastructure capacity. Since September 2013, OMIP has provided the following services to REN in this area (CRUg): active participation in the initial solution design and installation, in close cooperation with REN, ensuring thereafter all activities and functions concerned, in particular the training of agents, setup and availability of technological platforms, as well as the operation of the primary and secondary markets.

In 2018, primary allocation auctions were extended to intraday products (24 closed-envelope auctions per day on the Trayport platform, every day of the year).

In 2021, OMIP continued to ensure the above functions. It is also important to note the operationalisation of the Secondary market on OMIP's Trayport platform, now offering two trading models: OTC, where the parties outside the platform agree on the transaction, which is then formalised before the GTM (Global Technical Manager) on the platform; and continuous trading, where trading takes place anonymously on the platform.

Also during this year, the OMIPlus auction platform was used to solve congestions in the allocation of Monthly, Quarterly and Annual products, and the migration of market agents' codes used on the auction platforms to the CRIA code, in accordance with ERSE Directive 16/2019.

7.4 Clearing transactions by the GTM

Regulation (EU) 312/2014, of 26 March, establishing the network code for the clearing of gas

transmission networks (Network Code on Gas Balancing of Transmission Networks) requires new rules that must be adopted for the transmission network operator to clear the Natural Gas Transmission Network (RNTGN) through clearing actions by purchasing or selling standardised short-term products on a trading platform and/or the use of clearing services.

In this sense, OMIP was appointed by ERSE, through Directive 18/2006, of 27 October 2016, as the entity in charge of operating the clearing platform on which the products that will allow the Global Technical Manager (GTM) to carry out the clearing operations necessary for the proper running of the RNTGN are traded, when the short-term bulk gas market presents, or is expected to present insufficient liquidity, or when it is not reasonably possible to purchase, on that market, the temporary and localised products required by the transmission network operator.

The first natural gas auction (purchase of gas by the GTM) took place on 19 April 2017 on the OMIP platform for the implementation of GTM netting of operations, with all volumes offered for auction being sold at a break-even price lower than the reserve price. Since then, OMIP continues to provide the GTM with this service in the same manner.

7.5 Development of the GPMC/OLMC project

OMIP continued to ensure the operation and management of its e_Switch IT platform to support in a quick, transparent and secure manner the requests for supplier change in the Portuguese gas market, following the agreement with REN – Gasodutos, S.A., the entity designated by ERSE to take charge of the facilitation procedure of changing supplier in the natural gas sector.

The publication of Law 42/2016, of 16 December, approving the state budget for 2017, pursuant to Article 172, provided for the establishment of the OLMC in the scope of the Portuguese electricity system and the Portu-

guese natural gas system, which, in practical terms and as regards the NG sector, implies the handover of the GPMC NG duties of REN Gasodutos to Adene.

Decree-law 38/2017, of 31 March, establishes the legal regime applicable to the OLMC activity and commits the Energy Agency (ADENE) to carry out those duties, pursuant to Article 2, postponing, under Article 11, the transfer to the OLMC, in particular the information system supporting the GPMC's duties.

In this context, REN Gasodutos assigned its contractual position to ADENE in early 2018, and OMIP thus continued to ensure the same functions it had while under the authority of REN Gasodutos, as part of the GPMC/OLMC project. The e_Switch and the FTP were also transferred from the GPMC to Adene's infrastructure. Under the authority of Adene, we note also the start of development works to integrate the Regulated Market into the e_Switch platform.

In April 2018, OMIP was invited by Adene to put forward a proposal, under a private treaty procedure, for the specification, development, operation and maintenance of the electronic logistics platform to support the various procedures related to the switching of supplier in the natural gas and electricity sector (e_Switch II platform). OMIP's proposal was accepted and awarded by Adene (OLMC Portal), with works beginning in May. During that year, the Platform's Specification and Evolution Phases were developed and completed, and the Natural Gas Implementation work began.

The new OLMC Portal – Natural Gas component – was launched in July 2019, with the transfer of operations from the previous e_Switch portal, the latter operating only in reading/consultation mode. Also during this year work began on the implementation of Electricity, including the development of a solution to support the management of the allocation/removal of social tariff in the national electricity market, thus completing the transfer of the operation of that process from GPMC EL (EDP Distribuição) to Adene.

Although initially scheduled for the end of January 2020, the OLCM Portal integrated in the

SEN (EL – electrical energy) and SNGN (GN – natural gas) only came into operation SEN (EL) and SNGN (GN) November 2020 by ERSE decision, due to integrations with the EDP Distribuição systems and delays arising from the COVID-19 pandemic. This postponement resulted in a proposed amendment to the ADENE-OMIP contract, to ensure the post-production monitoring of the final version of the Platform (electrical energy + natural gas) over a 1 year period.

Activities were also carried out to make the new quarterly reporting model available, as defined by the regulator.

7.6 GO-PT Auctions

In 2021, OMIP was appointed as the entity responsible for the operationalisation of the GO-PT Auctions (Portuguese Guarantee of Origin Auctions) in Portugal, which began in July.

In accordance with Decree-law No 141/2010 of 31 December (amended and republished by Decree-law No 60/2020 of 17 August), guarantees of origin relating to the production of electricity from renewable sources benefitting from price support schemes or an investment incentive, are delivered by the producers to the Directorate-General for Energy and Geology (DGEG) to be made available to the market.

These Guarantees of Origin are traded through a competitive auction mechanism – GO-PT Auctions. The model applicable to the GO-PT Auctions is specified in the respective rules, which describe the process and the role of the different entities involved, namely:

- Directorate-General for Energy and Geology (DGEG), through the LRS and OMIP, makes the GO available to the market under price or investment support scheme;
- The Guarantee of Origin Issuing Entity (EEGO) is the entity responsible for the physical settlement of guarantees of origin traded in GO-PT Auctions;
- SU ELETRICIDADE (SLR) is the entity responsible for the financial settlement and



invoicing of revenues from GO-PT Auctions;

- OMIP – Pólo Português, S.G.M.R. (OMIP) is the entity responsible for the operation of GO-PT Auctions;
- OMIP, S.A. (OMIP SA) is the entity responsible for managing the financial guarantees required for qualifying for GO-PT Auctions.

The auction model adopted was the descending-type clock auctions executed on the *OMIPlus* platform managed by OMIP. The guarantees of origin were divided into lots according to the criteria of Technology (Solar, Wind, Hydro, and Thermal) and Production Period. The auctions quickly raised a lot of market interest,

attracting participants from various European countries.

In total, 5 auctions were held in 2021, with a total volume sold of 18.4 TWh. The net results of the activity in Guarantee of Origin auctions are registered as income of the National Electricity System, so the high number of participants resulted in savings of €9.2 million for Portuguese consumers. This result shows once more OMIP's merit in organising and managing auctions and the company as a pioneer in designing and implementing innovating solutions to respond to the stringent requirements set out in the European Green Deal, undertaken so ambitiously by the Portuguese and Spanish governments.

08

OUTLOOK FOR 2022



OUTLOOK FOR 2022

The year 2022 is a particularly complex and demanding period in terms of the global energy market, especially the electricity and natural gas markets.

The economic recovery after the most acute phase of the Covid-19 pandemic was brutally interrupted by Russia's invasion of Ukraine, consequently affecting commodity prices. Extreme prices and unprecedented levels of volatility in the Iberian Peninsula and Europe were of note in the case of electricity and natural gas, two markets managed by OMIP for commodities with underlying instruments in Portugal and Spain.

The main concern at the start of this year will therefore be to strictly monitor market developments and variables that may limit prices and traded volumes, and the conditions under which agents operate, in order to ensure the integrity and regular operation of the MIBEL derivatives market.

Once the troubled period caused by the instability on the eastern border of the European Union is over, the necessary measures will be taken to create an atmosphere of confidence so that market participants can once again carry out their activities in a safe and predictable environment.

Regarding business development, OMIP expects to:

- Recover the activity, in particular traded volumes;
- Increase the number of market participants;
- Continue organising special regime production placement auctions for the MIBEL Portuguese zone;

- Continue organising Last Resort Supplier purchase auctions;
- Continue organising Gas Capacity Rights of Use auctions (DUCg) concerning transport and storage at RNTIAT;
- Continue providing services in the change of supplier process in the electricity and natural gas markets;
- Launch PVB-TTF Spread futures contracts;
- Launch five and ten-year PPA futures contracts;
- In coordination with market participants, develop the portfolio of products available, adapting it where necessary;
- Ensure the high level of service that has been provided to market members, including the development of new solutions and functionalities specifically requested by these members;
- Preserve the recognition and reputation of OMIP as a reference exchange;
- Develop new business areas and supplementary and ancillary services to the company's main activity.

OMIP will therefore continue to work according to the highest standards of efficiency and innovation, to meet the increasing needs of its members and the requirements of the business sector in which the company operates.

In terms of international cooperation, OMIP will continue to participate actively in the activities carried out by the various international bodies of which it is a member.

09

PROPOSED APPROPRIATION OF PROFITS



PROPOSED APPROPRIATION OF PROFITS

The Board of Directors, under the terms and for the purposes of Article 25 of the Company Statutes, propose that the net results for 2021, in the amount of €1 253 132.04 (one million two hundred and fifty-three thousand, one hundred and thirty-two euros and four cents), be appropriated as follows:

To legal reserves	€125 313,20
To distribution of dividends.....	€ 845 864,13
To retained earnings.....	€281 954,71

Lisbon, 22 March 2022

The Board of Directors

Carmen Becerril Martinez

Abengoa, S.A.
(vacant)

Carlos Martin de los Santos Bernardos

EDP – Energias de Portugal, S.A.
Pedro Neves Ferreira

Endesa Generación Portugal, S.A.
Adolfo Javier de Rueda Villén

Iberdrola Generación España, S.A.U
Jose Luis Rapum Jimenez

Naturgy Energy Group
Alberto de Frutos Gonzalez

Parcaixa, SGPS, S.A.
(vacant)

REN – Redes Energéticas Nacionais, SGPS, S.A.
Maria José Menéres Duarte Pacheco Clara

REN Serviços, S.A.
Pedro Henriques Gomes Cabral

Viesgo Infraestructuras Energéticas, S.L.
(vacant)

10

SHAREHOLDERS, GOVERNING BODIES AND SUBSIDIARY



SHAREHOLDERS, GOVERNING BODIES AND SUBSIDIARY

10.1 Shareholders

OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A. (50%)

OMEL – Operador del Mercado Ibérico de Energía, Polo Español, S.A. (50%)

10.2 Governing Bodies

Board of the Shareholders' Meeting (3-year period 2018-2020¹)

Manuela Lopes dos Santos.....Chair

Board of Directors (3-year period 2018-2020¹)

Martim Bleck de Vasconcelos e Sá²Chair

Carmen Becerril Martinez Vice-Chair

Carlos Martin de los Santos Bernardos.....Voting member

EDP – Energias de Portugal, S.A. (Pedro Neves Ferreira).....Voting member

Endesa Generación Portugal, S.A. (Adolfo Javier de Rueda Villén)Voting member

REN – Redes Energéticas Nacionais, SGPS, S.A.

(Maria José Menéres Duarte Pacheco Clara)Voting member

REN Serviços, S.A. (Pedro Henriques Gomes Cabral).....Voting member

Supervisory Board/Statutory Auditor (3-year period 2021-2023)

Ernest & Young Audit & Associados – SROC, S.A. (SROC)Executive

Pedro Miguel Borges Marques (ROC).....Alternate

10.3 Subsidiary

OMIClear, C.C., S.A. - 50% of the equity capital of € 7 500 000,00.

1. The members elected for the 2018-2020 term remained in office during the 2021 financial year

2. Elected on 22 December 2021

11

FINANCIAL STATEMENTS AND ANNEXES

AS AT 31 DECEMBER 2021 AND 2020



Balance sheet

		Currency: Euros	
	Note	31-12-2021	31-12-2020
Assets			
Non-current			
Property, plant and equipment	7	6 673	26 035
Intangible assets	8	287 948	-
Investments – equity method	9	5 656 370	5 436 098
Other financial investments	10	13 909	10 934
		5 964 900	5 473 067
Current			
Clients	11	79 031	466 438
Other accounts receivable	12	365 767	371 248
Deferrals	13	43 985	24 389
Cash and bank deposits	5	1 892 166	1 148 714
		2 380 949	2 010 789
Total assets		8 345 849	7 483 856
Equity capital			
Paid-up capital	14	2 500 000	2 500 000
Issue premium	15	1 193 711	1 193 711
Legal reserves	16	350 523	299 935
Adjustments/Other changes in equity	17	1 114 928	1 114 928
Retained earnings		1 025 813	1 025 810
		6 184 975	6 134 384
Net result for the period		1 253 132	505 879
Total equity		7 438 107	6 640 263
Liabilities			
Current			
Suppliers	18	152 905	242 431
State and other public entities	19	337 442	194 064
Loans obtained	20	-	15 421
Other accounts payable	21	417 395	339 049
Deferrals	13	-	52 628
		907 742	843 593
Total liabilities		907 742	843 593
Total equity and liabilities		8 345 849	7 483 856

Statement of profit and loss by nature as at 31 December 2021 and 2020

	Note	Currency: Euros	
		31-12-2021	31-12-2020
Sales and services rendered	22	3 439 671	2 737 014
Gains/(losses) charged to subsidiaries	9	270 272	102 287
Supplies and external services	23	(1 003 926)	(1 048 501)
Staff costs	24	(1 341 485)	(1 376 989)
Other income	25	390 209	374 970
Other expenses	26	(134 462)	(118 162)
Results before depreciation, financial expenses and taxes		1 620 279	670 619
(Expenses) / reversal depreciation and amortisation	7 and 8	(70 484)	(31 180)
Operational result (before financial expenses and taxes)		1 549 795	639 439
Interest and similar costs incurred	27	(207)	(467)
Pre-tax results		1 549 588	638 972
Income tax for the period	28	(296 456)	(133 093)
Net result for the period		1 253 132	505 879
Basic earnings per share		5,01	2,02

Notes on pages 38 a 64 form an integral part of the above financial statements.

Statement of changes in equity

Note	Paid-up capital	Issue premiums	Legal reserves	Adjustments in financial assets	Retained earnings	Net result for the period	Total
On 1 January 2020	2 500 000	1 193 711	275 849	1 114 928	1 025 810	240 856	6 351 154
Changes in the period							
Other changes recognised in equity capital	-	-	24 086	-	216 770	(240 856)	-
	-	-	24 086	-	216 770	(240 856)	-
Net result for the period	-	-	-	-	-	505 879	505 879
Integral results	-	-	-	-	-	505 879	505 879
Operations with equity holders in the period							
Distributions	29	-	-	-	(216 770)	-	(216 770)
	-	-	-	-	(216 770)	-	(216 770)
On 31 December 2020	2 500 000	1 193 711	299 935	1 114 928	1 025 810	505 879	6 640 263
Changes in the period							
Other changes recognised in equity capital	-	-	50 588	-	455 292	(505 879)	-
	-	-	50 588	-	455 292	(505 879)	-
Net result for the period	-	-	-	-	-	1 253 132	1 253 132
Integral results	-	-	-	-	-	1 253 132	1 253 132
Operations with equity holders in the period							
Distributions	29	-	-	-	(455 289)	-	(455 289)
	-	-	-	-	(455 289)	-	(455 289)
On 31 December 2021	2 500 000	1 193 711	350 523	1 114 928	1 025 813	1 253 132	7 438 107

Notes on pages 38 to 63 form an integral part of the above financial statements.



Statement of cash flow as at 31 December 2021 and 2020

	Note	Currency: Euros	
		31-12-2021	31-12-2020
Cash flow of operating activities			
Receivables from clients		4 599 828	3 911 651
Payments to suppliers		(1 490 404)	(1 322 031)
Payments to staff		(1 287 507)	(1 324 163)
		1 821 916	1 265 457
Cash flow generated by operations			
(Payment) / refund of income tax		(227 104)	(92 690)
Other (payments) / receipts		(134 439)	(447 952)
		1 460 374	724 815
Cash flow of operating activities			
Cash flow of investment activities			
Payments regarding:			
Property, plant and equipment		-	(6 310)
Intangible fixed assets		(311 633)	-
Receipts from:			
Dividends		50 000	-
		(261 633)	(6 310)
Cash flow of investment activities			
Cash flow of financial activities			
Payments regarding:			
Dividends	29	(455 289)	-
		(455 289)	-
Cash flow of financial activities			
Changes in cash flow and its equivalents		743 452	718 505
Cash and cash equivalents at the start of the period	5	1 148 714	430 209
Cash and cash equivalents at the end of the period	5	1 892 166	1 148 714

Notes on pages 38 to 63 form an integral part of the above financial statements.

ANNEX TO THE FINANCIAL STATEMENTS

1 Identification of the company and reporting period

OMIP – Pólo Português, S.G.M.R., S.A., whose previous name was OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A. was incorporated under Order 360/ME/2003 of the Ministry of Economic Affairs, of 6 June, and had its public deed signed on 16 June 2003.

The company began its activity on 10 December 2003, its purpose being the organisation and management of a support system for conducting transactions and settlements in the Iberian Energy Market, thus being responsible for:

- a) the management of organised energy forward contracts;
- b) the brokerage of agents with the purpose of establishing commercial relationships in the Iberian Electricity Market;
- c) the management of other energy-based product markets;
- d) the provision of settlement services within organised electricity markets;
- e) the provision of settlement services for standard transactions in non-organised energy markets;
- f) the organisation of market services within the operation of the electricity system.

Since 18 October 2011, 50 % of OMIP's share capital is held by OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A. (OMIP SGPS), and 50 % by OMEL – Operador del Mercado Iberico de Energía, Polo Español, S.A. (OMEL).

Until 12 September 2013, OMIP held the entire share capital of OMIClear, C.C., S.A. (OMIClear), whose corporate purpose is the management of a clearing house as central counterpart, and of the settlement system. It currently holds 50% of the shares.

Since mid- 2021, OMIP – Pólo Português, SGMR, SA is responsible for operating guarantees of origin auctions of electricity produced in Portugal from renewable sources.

Decree-law No 141/2010 of 31 December (amended and republished by Decree-law No 60/2020 of 17 August) stipulates that producers deliver to the Directorate-General for Energy and Geology the guarantees of origin relating to the production of electricity from renewable sources that:

(i) benefit from direct price support scheme; or (ii) benefit from an investment incentive, or produced under a power purchase agreement (PPA) or an early termination agreement of a PPA.

These Guarantees of Origin are traded through a competitive auction mechanism – GO-PT Auctions. The model applicable to the GO-PT Auctions is specified in the respective rules, which describe the process and the role of the different entities involved, namely:

- Directorate-General for Energy and Geology (DGEG), through the LRS and OMIP, makes the GO available to the market under price or investment support scheme.
- SU Eletricidade (LRS) is the entity responsible for the financial settlement and invoicing of revenues from GO-PT Auctions.
- OMIP – Pólo Português, S.G.M.R. (OMIP) is the entity responsible for managing the participation and operation of GO-PT Auctions.
- OMIP, S.A. (OMIP SA) is the entity responsible for managing the financial guarantees required for qualifying for GO-PT Auctions.



— The Guarantee of Origin Issuing Entity (EEGO) is the entity responsible for the physical settlement of guarantees of origin traded in GO-PT Auctions.

These financial statements were approved by the Board of Directors at its meeting held on 22 March 2022, and are subject to the approval of the shareholders. In the opinion of the Board, these financial statements reflect a true and fair view of the operations carried out by OMIP, as well as its financial position and performance, and cash flows.

2 Accounting standards for financial reporting

2.1. Basis of preparation

These financial statements were prepared in agreement with the Portuguese Accounting and Financial Reporting Standards (NCRF – *Norma Contabilística de Relato Financeiro*), issued and in force or issued and adopted as at 31 December 2021.

The preparation of financial statements in agreement with the SNC (Accounting Standardisation System) calls for the use of estimates, assumptions and critical judgments when determining the accounting policies to be adopted by OMIP, with a significant impact on the accounting value of assets and liabilities, and on income and expenses for the reporting period.

Although these estimates are based on the Board's best knowledge and expectations of current and future events and activities, the current and future results may differ from these estimates. Note 4.18 presents the areas involving greater judgement calls and complexity, or the areas in which the assumptions and estimates are relevant to the financial statements.

2.2. Derogation to the SNS provisions

During the period covered by these financial statements there were no exceptional cases directly requiring the derogation to any SNC provision.

2.3. Comparability of financial statements

All the information in these financial statements is comparable to that of the previous year.

4 Significant accounting policies

The main accounting policies used to prepare the financial statements, based on the assumption of business continuity, are described below. Unless otherwise stated, these policies have consistently been applied to all periods reported.

4.1. Shareholdings – Subsidiaries

Subsidiaries are all entities (including those created for special purposes) in which OMIP has the power to decide on financial or operating policies. This is usually associated with the direct or indirect control of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether OMIP is in control of an entity.

Shareholdings in subsidiaries are recorded as the value resulting from applying the equity method. According to this method, the portion of results achieved in subsidiaries and associates, in proportion to the shareholding, are included in the statement of profit and loss, and the portion of their net worth, considering any implicit added values resulting from fair value adjustments and goodwill, is reflected in the balance sheet. These values are calculated from the approved financial statements of the subsidiaries and associates, or in the absence thereof, on the basis of the best possible estimates, having the financial year of the Company as a reference date.

4.2. Currency translation

4.2.1 FUNCTIONAL AND PRESENTATION CURRENCY

As demonstrações financeiras do OMIP e respetivas notas deste anexo são apresentadas em euros, salvo indicação explícita em contrário.

4.2.2 TRANSACTIONS AND BALANCES

Transactions made in a currency other than EUR are translated into the functional currency at the exchange rates on the dates of the transactions. Exchange gains or losses arising from the payment/receipt of transactions and of the translation by the currency rate at the balance sheet date of the cash assets and liabilities denominated in a foreign currency are recorded in the statement of profit and loss, under Interest and similar income obtained and Interest and similar expenses incurred, if related to loans or Other income and gains or other expenses and losses, for all other balances/transactions.

4.2.3 EXCHANGE RATES USED

Foreign currency exchange rates used in the translation of balances denominated in foreign currency:

Currency	2021	2020
USD	1,1326	1,2271
GBP	0,8403	0,8990

4.3. Property, plant and equipment

Property, plant and equipment are valued at cost minus accumulated depreciation and accumulated impairment losses. This cost includes the estimated cost at the date of transition to the Portuguese Accounting and Financial Reporting Standards (NCRF), and the acquisition costs for assets acquired thereafter.

The acquisition cost includes the purchase price of the asset, costs directly attributable to its acquisition, and those incurred in preparing the asset for its entry into service.

Subsequent expenses incurred with renovations and major repairs that may extend the lifespan of the assets are accounted for in the asset cost.

Current costs of repairs and maintenance services are recorded as expenses in the period in which they occurred.

Property, plant and equipment are depreciated systematically for the duration of their estimated lifespan according to the straight line method.

	Years
Vehicles	Between 3 and 5 years
Office equipment	Between 3 and 10 years



The lifespan of each asset is reviewed at the end of every year so as to ensure that the depreciation is in agreement with its consumption patterns. Changes in lifespan are treated as changes to the accounting estimate and are applied prospectively.

Gains or losses resulting from the disposal of assets are calculated as the difference between the net realizable value and the book value of the asset and are recorded in the statement of profit and loss.

4.4. Impairment of assets

Assets with a finite lifespan are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the determined recoverable amount is less than the book value of assets, the company will assess whether the loss situation is permanent or definite, and, if so, it will record the impairment loss. Where the loss is not considered permanent and definite, the grounds for this decision must be disclosed.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. To determine whether or not there is impairment, the assets are allocated to the lowest level for which there are separate identifiable cash flows (cash generating units).

Non-financial assets, other than goodwill, for which impairment losses were recorded, are calculated at each reporting date on the possible reversal of impairment losses.

When impairment is recorded or reversed, asset amortisation and depreciation is recalculated prospectively based on the recoverable amount.

4.5. Financial assets

The Board of Directors determines the classification of financial assets on the date of initial record, according to the purpose of their purchase, and reviews this classification at each reporting date.

Financial assets can be classified as:

- a) Financial assets at fair value through profit or loss – including non-derivative financial assets held for trading regarding short-term investments and assets at fair value through profit or loss on the date on which they were first recognised;
- b) Loans granted and accounts receivable – including non-derivative financial assets with fixed or determinable payments not quoted in an active market;
- c) Investments held to maturity – including non-derivative financial assets with fixed or determinable payments and fixed maturities for which the entity has the intention and capacity to hold until maturity;
- d) Financial assets available for sale – including available-for-sale non-derivative financial assets that are designated as available for sale on initial recognition or that do not fit the above categories. They are recorded as non-current assets except if there is intention to sell them within 12 months after the balance sheet date.

Purchases and sales of investments in financial assets are recorded on the date of the transaction, that is, on the date on which OMIP undertakes to purchase or sell the asset.

Financial assets at fair value through profit or loss are initially recorded at fair value, with transaction costs recorded in profit and loss. These assets are subsequently measured at fair value, and the gains and losses resulting from the change in fair value are posted in profit or loss for the period in which they arise under the heading “Net financial costs”, which also includes interest and dividends received.

Available-for-sale financial assets are initially recorded at fair value plus transaction costs. In the subsequent periods, they are measured at fair value and the fair value variation is posted in fair value reserve in equity. Interest and dividends from available-for-sale financial assets are recorded in profit or loss in the period in which they arise under the heading “Other operating gains”, where the right to receive it is established.

The fair value of listed investments is based on market prices (“bid”). If there is no active market, OMIP establishes the fair value through valuation techniques. These techniques include using recent arm’s length transactions, as long as market conditions allow for the comparison with instruments that are substantially similar, and the calculation of discounted “cash flows” when information is available, favouring market information at the expense of the target entity’s internal information.

Accounts receivable are classified on the balance sheet as “Other receivables”. A provision for the impairment of accounts receivable is established when there is objective evidence that the company will not be able to collect all amounts due in accordance with the original terms of the transactions that gave rise to them.

4.6. Clients and Other accounts receivable

The items “Clients” and “Other accounts receivable” constitute rights receivable for the sale of assets or services in the normal course of OMIP’s business and are initially recorded at fair value and subsequently measured at amortised cost, less impairment adjustments (where applicable). If there is a formal agreement for the deferral of amounts receivable, the fair value is determined in line with the effective interest rate method, which is the rate that exactly discounts estimated future cash payments for the expected repayment date.

Impairment losses on “Clients” and “Other accounts receivable” are recorded when there is objective evidence that they will not be recovered under the initial terms of the transaction. The identified impairment losses are recorded in the statement of profit and loss, under Impairment in accounts receivable, and are subsequently reversed through profit or loss if the impairment indicator ceases to exist

4.7. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, other short-term high liquidity financial investments with original maturities of up to three months, and overdrafts. The latter are presented in the Balance Sheet in the current liabilities under the heading “Loans granted” and are taken into consideration in the preparation of the statements of cash flow, as cash or cash equivalents.

4.8. Share capital

Ordinary shares are registered under equity capital.

Costs directly attributable to the issue of new shares or options are presented in equity as a deduction, net of taxes, to the amount issued.

4.9. Suppliers and Other accounts payable

The items “Suppliers” and “Other accounts payable” constitute obligation to pay for the acquisition of assets or services and are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest rate method.

4.10. Financial liabilities

The Board of Directors determines the classification of financial liabilities on the date when they are first recorded, in accordance with NCRF 27 – Financial instruments.



Financial liabilities may be recorded / measured:

- a) At cost or at amortized cost less any impairment loss;
- b) At fair value with changes in fair value being recorded in the statement of profit and loss.

OMIP records and measures at cost or at amortized cost, financial liabilities: *(i)* that are short-term or have a defined maturity; *(ii)* whose interest yield may be flat-rated, fixed-rated or variable-rated as indexed to market indices; and *(iii)* where there is no contractual clause which could alter the liability of refunding the nominal value and the accrued interest payable.

For liabilities recorded at amortized cost, the interest earned in each period, is determined according to the effective interest rate method, which is the rate that deducts exactly the estimated future cash payments throughout the expected lifespan of the financial instrument.

Financial liabilities which result from loans obtained, accounts payable (suppliers, other creditors, etc.) and equity capital instruments, as well as any associated derivative contracts not traded on an active market or whose fair value cannot be accurately determined are recorded at cost or amortised cost.

An entity must derecognise a financial liability (or part of a financial liability) only when it is extinguished, that is, when the obligation set up under contract is paid, is cancelled or expires.

4.11. Income tax

The company is subject to corporate income tax (IRC) at a rate of 17 % over the taxable amount up to €15 000, with the 21 % rate applying to the remaining taxable amount. To the corporate income tax thus obtained is added a surcharge applicable to the taxable income, whose rate can vary up to 1.5 %, as well as the autonomous tax on charges, in agreement with the rates stated in Article 88 of the Corporate Income Tax Code. To determine the taxable amount, to which the mentioned tax rate is applied, the amounts not accepted fiscally are added to and subtracted from the accounting result. The difference between the accounting and tax result may be temporary or permanent.

Income tax for the period comprises current taxes and deferred taxes. Taxes on income are recorded in the statement of profit and loss, except if they relate to items directly recorded in equity. The amount of current income tax payable is determined based on total income before tax, adjusted as per tax regulations.

4.12. Provisions, contingent liabilities and contingent assets

Provisions are recorded when OMIP has: *(i)* a present legal or constructive liability resulting from past events; *(ii)* for which it is more likely that an outflow of internal funds will not be required to pay that liability; and *(iii)* the amount can be reasonably estimated. Whenever one of the criteria is not met or the liability is conditional on the occurrence (or non-occurrence) of a future event OMIP discloses it as a contingent liability, unless the evaluation of the enforceability of the outflow of funds for the payment thereof is unlikely to occur.

Provisions are measured at the current value of estimated expenses needed to pay the liability using a pre-tax rate that reflects market evaluation for the discount period and for the risk of provisions in question.

Contingent liabilities are not recorded in the financial statements, but are always disclosed when an outflow of funds embodying economic benefits is likely to occur.

Contingent assets are not recorded in the financial statements, but are disclosed when a future inflow of funds is likely to occur.

4.13. Leases

Leases of property, plant and equipment in relation to which OMIP substantially holds all the risks and benefits inherent to asset ownership are classified as financial leases. Agreements where the analysis of one or more specific situations of the contract point to that nature are also classified as financial leases. All other leases are recorded as operating leases.

Financial leases are capitalised at the beginning of the lease for the lower between the fair value of the leased asset and the current value of minimum lease payments, each determined at the start of the contract. The resulting debt of a financial lease contract is recorded net of financial charges under the heading "Loans". Financial charges included in the rent and the depreciation of leased assets are recorded in the statement of profit and loss in the period to which they relate.

Property, plant and equipment acquired through financial leases are depreciated over the shorter of the lifespan of the asset and the leasing period when OMIP has no purchase option at the end of the contract, or for the estimated lifespan of the asset when the company has the intention to acquire the assets at the end of the contract.

In operating leases, rents owed are recorded as a cost in the statement of profit and loss on a straight-line basis over the lease term.

4.14. Expenses and income

Expenses and income are recorded in the period to which they relate, regardless of having been paid - or received, in agreement with the principles of accrual accounting periods. The differences between the amounts received and paid and the corresponding income and expenses are recorded as assets or liabilities if they qualify as such.

4.15. Revenue

Revenue is the fair value of the amount received or receivable for the sale of goods and/or services in the normal course of OMIP's activity. Revenue is presented net of any real or estimated amounts, or both, for sales returns, commercial discounts, quantity discounts, and pre or cash payments. These amounts are estimated based on historical information, specific contractual terms, or future expectations regarding the evolution of revenue, which are deducted when the revenue is recorded, by recording the appropriate liabilities. Where there is a formal agreement for the deferral of amounts receivable, the fair value of the revenue is determined based on the effective interest rate method, which is the rate that exactly discounts estimated future cash payments or receipts for the expected reimbursement period.

Revenue from the sale of products is recorded when: (i) the revenue amount can be reliably estimated; (ii) the economic benefits are likely to flow to OMIP; and (iii) a significant part of risks and benefits have been transferred to the buyer.

Revenue from services provided is recorded according to the percentage of completion or based on the contract period, when the service provision is not associated with the performance of specific activities, but rather to the continuing provision of service.

4.16. Distribution of dividends

The distribution of dividends to OMIP shareholders is recorded as a liability in the financial statements in the period in which the dividends are approved by its shareholders.



4.17. Netting of balances and transactions

Assets, liabilities, income and expenses are not netted unless required or permitted by the NCRF (*Accounting and Financial Reporting Standards*).

4.18. Significant estimates and assumptions presented

Estimates and assumptions with impact on OMIP's financial statements are continually evaluated, representing at each reporting date the Board's best estimate, taking into account the historical performance, accumulated experience and expectations about future events that, under the circumstances, are believed to be reasonable.

The intrinsic nature of the estimates may cause the actual reflection of the estimated situations, for financial reporting purposes, to differ from the estimated amounts. The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period are as follows:

RELEVANT ACCOUNTING ESTIMATES

4.18.1. Provisions

OMIP periodically analyses any liabilities arising from past events that should be recorded or disclosed.

The subjectivity inherent to the determination of probability and of the internal resources required to pay the liabilities may lead to significant adjustments, because of the varying assumptions used or due to the future recording of provisions previously disclosed as contingent liabilities.

4.18.2. Property, plant and equipment

The determination of the lifespan of assets and the depreciation/amortisation method to use is essential to determine the amount of depreciation/amortisation recorded in the statement of profit and loss for each period.

These two parameters are defined according to the Board's best discretion for assets and businesses in question, taking into account, where possible, the practices adopted by sector companies at international level.

4.18.3. Impairment

The determination of an eventual impairment loss may be triggered by various events, many of which outside OMIP's sphere of influence, such as: (i) future availability of funding; and (ii) the cost of capital or any other changes internal or external to OMIP.

The identification of impairment indicators, the estimation of future cash flows and the determination of the fair value of assets imply a high degree of judgement by the Board as regards the identification and evaluation of the different impairment indicators, expected cash flows, applicable discount rates, lifespans and residual values.

4.19. Events after the balance sheet date

The events occurring after the reporting dates that provide additional information about the existing conditions at the time of the financial statements are shown in the company's financial statements. Material events after the reporting date that provide information about the conditions occurring after the financial statements are disclosed in the notes to the financial statements.

5 Cash flow

5.1. Cash and cash equivalents not available for use

OMIP has no cash balance or cash equivalent with restrictions on their use for the periods under review.

5.2. Breakdown of values posted in “Cash and bank deposits”

Breakdown of cash and bank deposits as at 31 December 2021 and 31 December 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Cash	887	887
Bank deposits	<u>1 891 279</u>	<u>1 147 827</u>
	<u>1 892 166</u>	<u>1 148 714</u>

Breakdown of the amount considered as final balance under “Cash and cash equivalents” for the purpose of preparing the statement of cash flow for the years ended 31 December 2021 and 31 December 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Cash resources		
- Cash	<u>887</u>	<u>887</u>
	<u>887</u>	<u>887</u>
Bank deposits		
- Checking accounts	<u>1 891 279</u>	<u>1 147 827</u>
	<u>1 891 279</u>	<u>1 147 827</u>
	<u>1 892 166</u>	<u>1 148 714</u>

6 Accounting policies, changes in accounting estimates, and errors

6.1. Changes in standards

During the period in question, no new standards, changes or interpretations of existing rules were published that should be considered by OMIP.

6.2. Changes in accounting policies

During the period in question, there were no changes in the accounting policies considered in the preparation of these financial statements.



6.3. Changes in accounting estimates

During the period in question, there were no changes in the accounting estimates considered in the preparation of these financial statements.

6.4. Prior period errors

During the period in question, no errors were identified that concerned prior periods.

7 Property, plant and equipment

Changes recorded under the heading “Property, plant and equipment” as at 31 December 2020:

	Vehicles	Office equipment	Total
1 January 2020			
Acquisition cost	87 406	1 758 565	1 845 971
Accumulated depreciation	(50 038)	(1 743 935)	(1 793 973)
Net book value	37 368	14 630	51 998
Additions	-	5 217	5 217
Depreciation for the period	(21 851)	(9 329)	(31 180)
Net book value	15 517	10 518	26 035
31 December 2020			
Acquisition cost	87 406	1 763 782	1 851 188
Accumulated depreciation	(71 889)	(1 753 264)	(1 825 153)
Net book value	15 517	10 518	26 035

Changes recorded under “Property, plant and equipment” as at 31 December 2021:

	Vehicles	Office equipment	Total
1 January 2021			
Acquisition cost	87 406	1 758 565	1 845 971
Accumulated depreciation	(50 038)	(1 743 935)	(1 793 973)
Net book value	37 368	14 630	51 998
Additions	-	5 217	5 217
Depreciation for the period	(21 851)	(9 329)	(31 180)
Net book value	15 517	10 518	26 035
31 December 2021			
Acquisition cost	87 406	1 763 782	1 851 188
Accumulated depreciation	(71 889)	(1 753 264)	(1 825 153)
Net book value	15 517	10 518	26 035

Depreciation of property, plant and equipment are fully recorded under the heading Expenses/ reversals of depreciation and amortisation in the statement of profit and loss.

Additions to property, plant and equipment made in the period ended 31 December 2021 consist mainly of office equipment.

As at 31 December 2021, amortisations were positive in the amount of €17 040.

As at 31 December 2021 and 2020, OMIP used the following assets acquired under financial lease:

Financial leases	31-12-2021	31-12-2020
Gross value	43 090	87 406
Accumulated depreciation	(43 090)	(71 889)
	-	15 517

8 Intangible assets

Changes recorded under “Intangible assets” as at 31 December 2021:

	Development projects	Total
1 January 2021		
Acquisition cost	-	-
Accumulated depreciation	-	-
Net book value	-	-
Additions	341 392	341 392
Depreciation for the period	(53 444)	(53 444)
Net book value	287 948	287 948
31 December 2021		
Acquisition cost	341 392	341 392
Accumulated depreciation	(53 445)	(53 444)
Net book value	287 948	287 948

The addition of development projects concerns the development of the auction platform.

As at 31 December 2021, the depreciation of intangible fixed assets amounted to €53 444.



9 Investments

– Equity method

As at 31 December 2021 and 31 December 2020, the investment in subsidiaries corresponds to 50% of the share capital of OMIClear – C.C., S.A.

Breakdown of the subsidiary:

	31-12-2021	31-12-2020
	OMIClear	OMIClear
Assets		
Non-current	575 973	284 958
Current	1 283 793 011	221 726 894
	1 284 368 984	222 011 852
Liabilities		
Non-current	192 170	-
Current	1 272 864 074	211 139 657
	1 273 056 244	211 139 657
Equity capital	11 312 740	10 872 195
Activity in the year		
Revenue	4 020 555	3 526 237
Expenses	(3 480 010)	(3 321 664)
Net result	540 545	204 573
% shareholding	50%	50%
	270 272	102 287

Investments in the period:

	OMIClear
1 January 2020	5 333 811
Gains / (Losses)	102 287
Outros movimentos no Capital	-
31 December 2020	5 436 098
Gains / (Losses)	270 272
Dividends received	(50 000)
31 December 2021	5 656 370

In 2021, dividends amounting to €50 000 were received from OMIClear (2020: no dividends were paid).

10 Other financial investments

The amounts shown under this heading refer to the monthly contributions made by the company to the Labour Compensation Fund (FCT – *Fundo de Compensação do Trabalho*), under Law 70/2013.

11 Clients

Breakdown of “Clients” for the periods ended 31 December 2021 and 31 December 2020:

	31-12-2021			31-12-2020		
	Current	Non-current	Total	Current	Non-current	Total
Clients – Related parties (Note 33)	30 000	-	30 000	52 241	-	52 241
Clients – Third parties	49 031	-	49 031	414 197	-	414 197
	79 031	-	79 031	466 438	-	466 438
Impairment	-	-	-	-	-	-
	79 031	-	79 031	466 438	-	466 438

During these periods, there were no differences between the book values and their fair value.

12 Other receivables

Breakdown of “Other receivables” as at 31 December 2021 and 2020

	31-12-2021			31-12-2020		
	Current	Non-current	Total	Current	Non-current	Total
Advanced payments	-	-	-	66	-	66
Other debtors						
OMIClear (Note 33)	87 177	-	87 177	211 223	-	211 223
OMIP SGPS (Note 33)	-	-	-	6 019	-	6 019
OMIP SA (Note 33)	-	-	-	8 113	-	8 113
REN - Gasodutos (Note 33)	45 482	-	45 482	45 482	-	45 482
Adene	58 925	-	58 925	47 225	-	47 225
Other	126	-	126	-	-	-
Accrued income						
Other	174 057	-	174 057	53 120	-	53 120
	365 767	-	365 767	371 248	-	371 248
Impairment	-	-	-	-	-	-
	365 767	-	365 767	371 248	-	371 248

Breakdown of “Other income accruals”:

	31-12-2021	31-12-2020
GPMC accruals	144 820	11 140
EEX accrual- Q4	29 237	30 245
Sundry	-	11 735
TOTAL	174 057	53 120

There are no differences between the book values and their fair value for the periods in question.

The increase in the GPMC accruals is essentially due to the value of maintenance for which the client has not authorised the invoicing thereof.



13 Deferrals

Balances under “Deferrals” as at 31 December 2021 and 31 December 2020:

Assets

	<u>31-12-2021</u>	<u>31-12-2020</u>
Insurance	5 832	5 708
Quotas	3 750	4 167
Bloomberg	3 976	3 711
Other	30 427	10 803
	<u>43 985</u>	<u>24 389</u>

Liabilities

	<u>31-12-2021</u>	<u>31-12-2020</u>
Other	-	52 628
	<u>-</u>	<u>52 628</u>

14 Share Capital

As at 31 December 2021 and 31 December 2020, OMIP's share capital in the amount of €2 500 000 was fully subscribed and paid up, represented by 250 000 shares each with a par value of €10.

Breakdown of share capital as at 31 December 2021 and 31 December 2020:

	<u>% share</u>	<u>Capital</u>
OMIP SGPS	50.00%	1 250 000
OMEL	50.00%	1 250 000
	<u>100,00%</u>	<u>2 500 000</u>

15 Issue premium

Issue premiums in the amount of €1 193 711 resulted from a share capital increase in 2004 with OMEL's entry into the capital of the Company, and a capital increase from the previous shareholder REN. Later, part of this amount was used to cover a capital increase.

16 Legal reserves

In agreement with the corporate law in force, the company is required to transfer to legal reserves at least 5 % of the net annual income until it represents 20 % of capital. This reserve cannot be distributed unless the company is liquidated, but can be used to absorb losses after other reserves are used, or to be added to capital.

As at 31 December 2021, this reserve amounted to €350 523 (2020: €299 935), therefore short of the 20% of share capital.

17 Adjustments to equity

The amount of €1 114 928 under this heading corresponds to the re-evaluation of OMIClear following the sale of 50 % made by OMIP to OMIE in September 2013.

18 Suppliers

Breakdown of the heading including all current "Suppliers" as at 31 December 2021 and 31 December 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Suppliers	152 905	242 431
	<u>152 905</u>	<u>242 431</u>

19 State and other public entities

"State and other public entities" balances as at 31 December 2021 and 31 December 2020:

	<u>31-12-2021</u>		<u>31-12-2020</u>	
	<u>Debtor</u>	<u>Creditor</u>	<u>Debtor</u>	<u>Creditor</u>
Corporate tax - IRC	-	179 453	-	73 135
Income tax - IRS	-	45 166	-	50 791
Value added tax - VAT	-	70 308	-	45 226
Contributions to social security	-	42 515	-	24 912
	<u>-</u>	<u>337 442</u>	<u>-</u>	<u>194 064</u>

Corporate tax income (IRC) for the reported periods:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Payments on account	106 503	59 958
Withholding tax	10 500	-
Corporate tax estimate	<u>(296 456)</u>	<u>(133 093)</u>
	<u>(179 453)</u>	<u>(73 135)</u>



20 Loans obtained

Breakdown of “Loans obtained” as at 31 December 2021 and 31 December 2020:

	31-12-2021			31-12-2020		
	Current	Non-current	Total	Current	Non-current	Total
Financial leases	-	-	-	15 421	-	15 421
	-	-	-	15 421	-	15 421

21 O17 Other accounts payable

Breakdown of “Other accounts payable” as at 31 December 2021 and 31 December 2020:

	31-12-2021			31-12-2020		
	Current	Non-current	Total	Current	Non-current	Total
Supplier investments						
General suppliers	75 143	-	75 143	-	-	-
	75 143	-	75 143	-	-	-
Other creditors						
OMIClear (Note 33)	4 500	-	4 500	-	-	-
Other	7 248	-	7 248	37 141	-	37 141
	11 748	-	11 748	37 141	-	37 141
Creditors due to accrued expenses						
Staff costs	260 984	-	260 984	279 149	-	279 149
Other	69 520	-	69 520	22 759	-	22 759
	330 504	-	330 504	301 908	-	301 908
	417 395	-	417 395	339 049	-	339 048

22 Services provided

Breakdown of services provided and recognised in the statement of profit and loss:

	31-12-2021	31-12-2020
Services provided - Natural Gas	974 727	816 197
Variable fees	456 708	419 301
Services provided - Electricity	399 769	150 000
Admission and maintenance fees	350 865	397 772
Licences	432 720	428 342
Guarantee of origin auctions	276 094	-
Remit	226 640	213 280
EEX	183 243	166 372
Market Monitoring	120 000	120 000
Training	18 905	25 750
	3 439 671	2 737 014

The maintenance of management services was recorded under “Other operating income”. Note the increase especially in services provided under natural gas, electricity, and variable fees.

Of note is the income from guarantee or origin auctions, for which OMIP is responsible. This service began in mid-2021.

23 Supplies and external services

Breakdown of costs incurred with “Supplies and external services”:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Specialised works	840 503	875 842
Rentals (includes condominium)	43 831	43 687
Materials	36 728	33 387
Insurance	19 474	17 550
Travel and accommodation	18 505	23 939
Water and electricity	11 288	6 358
Entertainment fees	9 324	13 951
Cleaning	7 216	-
Communications	7 872	16 493
Fees	2 645	4 327
Other (each under €5 000)	6 540	12 967
	<u>1 003 926</u>	<u>1 048 501</u>

The most relevant item under “Supplies and external services” are specialised tasks that essentially include (i) the maintenance of systems and access to IT platforms, and (ii) the management fees that offset the work of other Group collaborators for OMIP.

24 Staff costs

Breakdown of “Staff costs” incurred during the periods ended 31 December 2021 and 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Remunerations		
Governing bodies	232 339	283 309
Staff	847 600	820 231
	<u>1 079 939</u>	<u>1 103 540</u>
Social charges	239 680	246 895
Other	21 866	26 554
	<u>261 546</u>	<u>273 449</u>
	<u>1 341 485</u>	<u>1 376 989</u>

The decrease in staff costs is mainly due to the decrease in costs with governing bodies, owed to the following: (i) absence of a CEO for almost three months in the first half of the year, and (ii) bonuses not paid to governing bodies in 2020 were higher than those in 2021. For this reason, unpaid bonuses in the previous year were corrected.

The average number of OMIP staff in 2021 was 13 (2020: 15).



25 Other income and gains

Breakdown of “Other income and gains”:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Management fees (Note 33)	367 273	350 697
Corrections of prior periods	-	2 581
Other	22 936	21 692
	<u>390 209</u>	<u>374 970</u>

The heading “Management fees” includes the debit amounts charged by OMIP to other Group companies for providing them with human resources to carry out the work resulting from the activities of those companies.

The amounts debited to each company are €184 000 for OMIClear, €55 437 for OMIP SGPS, and €127 836 for OMIP, SA.

26 Other expenses and losses

Breakdown of “Other expenses and losses”:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Costs with market operations	86 508	74 420
Contributions/levies	32 713	24 811
Taxes	5 102	6 951
Donation	-	1 503
Other	10 139	10 477
	<u>134 462</u>	<u>118 162</u>

Costs recognised as market operations include fixed monthly fees/commissions charged by market makers. These members ensure adequate levels of liquidity and depth of market offers. The variations recorded result from the fact that in 2021 the traded volumes were higher than those in 2020. These costs also include a fee which CMVM began to charge in 2018, which varies according to traded volumes.

“Contributions / Levies” includes the costs borne by the Company in 2021 as a result of being a member of representative entities in the sector, namely the Associação Portuguesa de Energia (*Portuguese Energy Association*), APEX (*Association of Power Exchanges*) and EUROPEX, among others.

27 Financial expenditure and income

Breakdown of "Financial expenditure" for the years 2021 and 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Financial expenditure		
Other financial expenditure	207	467
	<u>207</u>	<u>467</u>

28 Income tax

Breakdown of "Income tax" as at 31 December 2021 and 31 December 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Current income tax	296 456	133 093
	<u>296 456</u>	<u>133 093</u>

The tax rate used for the valuation of taxable differences at the balance sheet date for the year ended 31 December 2021 was 17% for taxable values up to €15 000, and 21% for values in excess of this amount, in addition to a surcharge of 1.5% (2020: to €15,000, and 21% for values in excess of this amount, in addition to a surcharge of 1.5%).

28.1. Deferred taxes

As at 31 December 2021 and 31 December 2020, no situations generated deferred tax assets or liabilities.

28.2. Reconciliation of tax rate

Reconciliation of the effective tax rate for the periods ended 31 December 2021 and 2020:

	<u>31-12-2021</u>		<u>31-12-2020</u>	
Pre-tax results	15 000	1 534 588	15 000	623 972
Tax rate	17.0%	21.0%	17.0%	21.0%
	<u>2 550</u>	<u>322 264</u>	<u>2 550</u>	<u>131 034</u>
	<u>324 814</u>		<u>133 584</u>	
Non-deductible expenses	2 829		3 149	
Non-taxable income	(60 192)		(24 627)	
Surcharge	19 146		8 050	
Autonomous taxation	9 859		12 937	
	<u>296 456</u>		<u>133 093</u>	
Current income tax	296 456		133 093	
Income tax	<u>296 456</u>		<u>133 093</u>	
Effective tax rate	<u>19.1%</u>		<u>20.8%</u>	



Tax rate used for determining the amount of tax in the financial statements:

	<u>2021</u>	<u>2020</u>
Tax rate up to €15 000	17.00%	17.00%
Tax rate for remaining value	21.00%	21.00%
Surcharge	1.50%	1.50%
	<u>20.50%</u>	<u>20.50%</u>

29 Dividends

As at 31 December 2021, OMIP paid dividends in the amount of €455 288.95 to the OMIP SGPS and OMEL shareholders, in proportion to their shareholdings in the company's equity (2020: €216 770.40 in dividends were paid).

30 Commitments

As at 31 December 2021 and 31 December 2020, there were no other commitments undertaken by the company and not reflected in the financial statements.

31 Contingencies

CONTINGENT LIABILITIES

As at 31 December 2021 and 31 December 2020, OMIP did not record any contingent liabilities.

CONTINGENT ASSETS

As at 31 December 2021 and 31 December 2020, did not record any contingent assets.

32 Information required by law

Under Article 21(1) of Decree-law 411/91, of 17 October, OMIP confirms that it does not owe any contributions to Social Security or to Treasury.

33 Related parties

As at 31 December 2021 and 31 December 2020, OMIP was 50 % held by OMIP – Operador do Mercado Ibérico (Portugal), SGPS, SA and 50% by OMEL – Operador del Mercado Ibérico de Energia, Pólo Español, SA:

NATURE OF THE RELATIONSHIP WITH RELATED COMPANIES:

Shareholders:

- OMIP, SGPS
- OMEL

Subsidiary:

- OMIClear – C.C., SA

Other related companies:

- OMI – Polo Español, SA
- REN – Rede Electrica Nacional, S.A.
- REN – Gasodutos, S.A.
- REN – Serviços, S.A.
- Caixa Geral de Depósitos, S.A.
- Banco Comercial Português, S.A.
- EDP – Energias de Portugal, S.A.
- Naturgy Energy Group, S.A.
- Iberdrola Generacion Española, S.A.U.

33.1. Transactions with shareholders:

In the periods concerned, OMIP made the following transactions with its shareholders:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Services acquired		
OMIP SGPS (Note 23)	25 350	25 350
	<u>25 350</u>	<u>25 350</u>
Services provided		
OMIP SGPS (Note 25)	55 437	55 437
	<u>55 437</u>	<u>55 437</u>

33.2. Debit and credit balances with shareholders

For the periods ended 31 December 2021 and 31 December 2020, the balances resulting from transactions made with the shareholders are as follows:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Other accounts receivable		
OMIP SGPS (Note 12)		6 019
	-	<u>6 019</u>

**33.3. Transactions with subsidiaries**

During the periods concerned, made the following transactions with the subsidiary OMIClear:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Services acquired		
OMIClear (Note 23)	85 344	85 344
	<u>85 344</u>	<u>85 344</u>
Services provided		
Omiclear (Note 25)	384 000	195 000
	<u>384 000</u>	<u>195 000</u>

33.4. Debit and credit balances with subsidiaries

For the periods ended 31 December 2021 and 31 December 2020, the balances resulting from transactions made with subsidiaries are as follows:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Other accounts receivable		
OMIClear (Note 12)	87 177	211 223
	<u>87 177</u>	<u>211 223</u>
Other accounts payable		
OMIClear (Note 21)	4 500	-
	<u>4 500</u>	<u>-</u>

33.5. Transactions with other related parties

During the periods concerned, OMIClear made the following transactions with the entities below:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Services provided		
REN - Gasodutos (Note 22)	327 250	237 000
OMIE (Note 22)	120 000	120 000
OMIP SA (Note 22)	127 836	100 260
	<u>575 086</u>	<u>457 260</u>

33.6. Debit and credit balances with other related parties

As at 31 December 2021 and 31 December 2020, the balances resulting from transactions made with other related parties are as follows:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Clients		
REN - Gasodutos (Note 11)		22 140
OMIE (Note 11)	30 000	30 101
	<u>30 000</u>	<u>52 241</u>
Other accounts receivable		
REN - Gasodutos (Note 12)	45 482	45 482
OMIP SA (Note 12)	-	8 113
	<u>-</u>	<u>8 113</u>

33.7. Management remunerations

Remunerations earned by the members of OMIP's Board of Directors during the periods ended 31 December 2021 and 31 December 2020:

	<u>31-12-2021</u>	<u>31-12-2020</u>
Salaries and other short-term remunerations	232 339	283 309
	<u>232 339</u>	<u>283 309</u>

34 Subsequent events

Up to the date on which these financial statements were approved, the Board of Directors had no knowledge of any subsequent events that should be recorded or disclosed herein.

35 Proposes appropriation of profits

The Board of Directors, under the terms and for the purposes of Article 25 of the Company Statutes, decided to propose that the net result for 2021 in the positive amount of €1 253 132.04 (one million two hundred and fifty-three thousand, one hundred and thirty-two euros and four cents) be appropriated as follows:

To legal reserve	€ 125 313,20
To distribution of dividends.....	€ 845 864,13
To retained earnings.....	€ 281 954,71

Lisbon, 22 March 2022



The Board of Directors

Carmen Becerril Martinez

Abengoa, S.A.
(vacant)

Carlos Martin de los Santos Bernardos

EDP – Energias de Portugal, S.A.
Pedro Neves Ferreira

Endesa Generación Portugal, S.A.
Adolfo Javier de Rueda Villén

Iberdrola Generación España, S.A.U
Jose Luis Rapum Jimenez

Naturgy Energy Group
Alberto de Frutos Gonzalez

Parcaixa, SGPS, S.A.
(vacant)

REN – Redes Energéticas Nacionais, SGPS, S.A.
Maria José Menéres Duarte Pacheco Clara

REN Serviços, S.A.
Pedro Henriques Gomes Cabral

Viesgo Infraestructuras Energéticas, S.L.
(vacant)

The Certified Accountant

Manuela Lopes dos Santos
Certified Accountant, Licence no. 85946

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ANNEXES



LEGAL CERTIFICATION OF ACCOUNTS



Ernst & Young
Audit & Associados - SROC, S.A.
Av. da República 90,
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Portugal

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Fax: +351 217 957 590
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(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of OMIP - Polo Português, S.G.M.R., S.A. (the Entity), which comprise the Balance Sheet as at 31 December 2021 (showing a total of 8.345.849 euros and a total equity of 7.438.107 euros, including a net profit for the year of 1.253.132 euros), the Income Statement by Nature, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the Annex, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the OMIP - Polo Português, S.G.M.R., S.A. as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System.

Basis for opinion

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

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

Responsibilities of Management for the financial statements

Management is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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



OMIP - Polo Português, S.G.M.R., S.A.
Statutory Auditor's Report
31 December 2021

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

In our opinion, the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and we have not identified any material misstatement.

Lisbon, 19 April 2022

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

(Signed)

Rui Abel Serra Martins - ROC nr. 1119
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