



emilear

**ANNUAL
REPORT &
ACCOUNTS**

2020

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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.



ANNUAL REPORT & ACCOUNTS

2020

01

MESSAGE FROM THE CHAIRMAN

In a year marked by the Covid-19 pandemic, which resulted in volatility and uncertainty in global financial markets, the commodities markets have proved to be resilient. It was against this background that the European Union (EU) continued the path towards developing the domestic electricity and gas markets and a decarbonised economy as a fundamental part of the Next Generation EU recovery plan.

The OMI Group is a leader player in the transition to a sustainable greener approach and its member companies are at the forefront of the industry's initiatives in Europe. Market operators OMIP and OMIE and the OMIClear Clearing House are involved in several initiatives with a strong innovation component in the structuring of electricity and natural gas markets in the Iberian Peninsula, with a particular 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 Europe, overall, the volumes traded on the electricity and natural gas markets in 2020 grew by 10% and 14% respectively, compared to 2019, and the same was true for the CO2 emissions market, which grew by 17%, reflecting the effects of the ongoing energy transition and the demand for cleaner energy sources.

Volumes traded on the energy markets in Spain and Portugal followed the growth trend seen in Europe. The total electricity and natural gas volumes traded in the Iberian market in 2020 grew by 15% and 186%, respectively, compared to 2019, with the notable growth in the natural gas segment reflecting the increasing importance of LNG reception capability at Iberian terminals and the increased weight of OTC trading not registered in a clearing house. These figures confirm the recent developments in a dynamic market, which is reflected in the search for longer-term contracting solutions in the electricity segment, and also the changing consumption behaviour associated to energy transition, in which natural gas plays an increasingly important role in replacing

coal-fired electricity generation and in ensuring security of supply as a complement to intermittent renewable generation. In 2020, therefore, the trading of natural gas products with delivery in the Spanish Virtual Trading Point (PVB) grew and consolidated.

In 2020, the onset of the Covid-19 pandemic caused a strong contraction in economic activity and a consequent decrease in energy consumption, followed by some recovery in the second half of the year. In April, the average price of electricity on the MIBEL spot market, for the Spanish zone, was 17.65 €/MWh and by the end of the year, in December, it had recovered to 41.97 €/MWh. The average annual price was 33.96 €/MWh in the Spanish zone, and 33.99 €/MWh in the Portuguese zone, very close to those of the French and German markets – 32.20 €/MWh and 30.47 €/MWh, respectively. This convergence of MIBEL prices in relation to European reference markets, largely due to the growing penetration of renewable technologies in the Iberian Peninsula, is also confirmed by the forward curve of the OMIP forward market, which envisages lower electricity prices in the MIBEL market compared to France and Germany from 2022 onwards. In the natural gas markets, the price evolution pattern in 2020 was similar to that seen in electricity, with the average price of day-ahead contracts with delivery in the PVB was 5.39 €/MWh in May and 18.20 €/MWh in December.

Thus in 2020 OMIClear continued its efforts to expand its clearing and settlement services for electricity futures contracts, covering maturities up to 10 years, and to attract new participants, in particular new General Clearing Member entities.

A sign of this effort is that on 2 July the first electricity futures contracts with a maturity of 10 years were registered at OMIP, to be subsequently cleared and settled at OMIClear, and that the formal admission process of a new bank taking on the role of General Clearing Member was completed in February 2021.

Regarding the outlook for 2021, OMIClear, like other companies of the OMI Group, will continue to be active and will monitor the development of the domestic electricity and natural gas markets, in the context of the energy transition and decarbonisation of the economy. OMIClear, in coordination with OMIP, will continue to work towards expanding its portfolio of natural gas service, developing tools to facilitate managing the risks associated to different pricing for electricity and natural gas. OMIClear, in coordination with MIBGAS, aims to expand the geographical scope of its service to offer natural gas contract clearing services with physical settlement in the Portuguese Virtual Point (VTP). OMIClear is also analysing new areas of products and services that allow greater risk coverage, in particular weather risks, broadening its portfolio to increase investment in technologies for generating electricity from renewable sources. OMIClear also intends to continue the internal cooperation within the OMI Group, extending it to areas and activities where its experience in risk management and guarantee management truly matters. Finally, OMIClear will continue to offer integrated REMIT reporting service, which covers the various participants' obligations in the wholesale energy markets, in particular obligations arising from participation in the OMIE daily and intraday market, in the OMIP futures market, and the reporting of non-standard electricity and natural gas contracts and of fundamental data.

The strategy to expand the portfolio designed to meet the needs of market agents, together with the high level of client service always provided by OMIClear, gives our company the trust and courage needed to face the challenges ahead, in particular the fierce increase in competition. 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 budget structure, yet flexible enough to efficiently respond to any opportunity.

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

Lisbon, 17 March 2021

Carmen Becerril Martínez
Chairman of the Board of Directors

02

RELEVANT FACTS 2020

RELEVANT FACTS

2020

02 July

The first electricity futures contracts maturing in 8, 9 and 10 years were registered at OMIP, for subsequent clearing and settlement at OMIClear.

13 October

Natural gas contracts hit an all-time daily high of 833 GWh.

TABLE 01 RELEVANT FACTS IN 2020

03

COVID-19

COVID-19

The Covid-19 pandemic deeply affected the economy in general, and the financial markets were by no means left unscathed. Portugal and Spain were no exception, with significant disruption in almost all sectors of activity. The spread of the Covid-19 virus caused illness, confinement, quarantine, the cancelation of events and international travel, the closing of companies and schools, affected economic activity and financial transactions, and generated a level of instability and uncertainty in society never seen before in recent decades.

This tremendous event inevitably brought with it new risks and stressors to the energy sector, and to OMIClear'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 OMIClear, as they were mostly related to the impacts of the pandemic on the activity of market agents, clients and external service providers.

One of OMIClear'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 2020 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 OMIClear, due to the decrease in economic activity, and consequent drop in electricity consumption and in the need to hedge in forward markets;
- Possibility of key staff being prevented from working due to Covid-19 infection or related diseases;
- Decrease in OMIClear's operational efficiency as a result of employees working remotely;
- Decrease in the operational efficiency of OMIClear's participants and clients due to the fact that its employees are working remotely;
- Impact on external service providers and their ability to maintain the contracted service levels;
- Delays in the roll-out 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 vola-

tility, including significant potential losses from reduced trading or default events.

- Increased risks related to technological platforms and IT security.

Thanks to the measures implemented from the outset of the pandemic, which included adopting 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 OMIClear, no employees were infected and the virus did not spread in the company. As such, the company's operational efficiency was not affected.

Regarding the teleworking model in place from April onwards, its implementation did not have any operational impact on the forward market management activity, on the quality of the services provided, on the plan to roll-out new products and services, and on the development of new initiatives. All tasks carried out by the different functional areas, first in the mixed arrangement and later in teleworking only, maintained the usual high level of quality that characterise OMIClear, with no disruption or disruptive event clouding the company's activities. This is both the result of the effort and work carried out by the Information 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 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. However, in 2020 the operational activity in the OMIP electricity forward market and in the prompt and forward segments of the MIBGAS and MIBGAS Derivatives natural gas markets was marked by a contraction of -18% and -11%, respectively, in traded volumes and liquidity, which to some extent may reflect some of the side effects of the Covid-19 pandemic. Due to the dissemination of the virus, the Portuguese and Spanish governments implemented measures restricting freedom of movement of people and social contact, with the result that travelling, visiting and face-to-face meetings with market agents were no longer allowed, and imposed the telework arrangement. The activity in the energy markets is strongly influenced by close relations and close contact with the agents, so the fact that we were unable to maintain more direct contact with them., for example during agents' committees, certainly influenced OMIClear's activity levels in 2020.

04

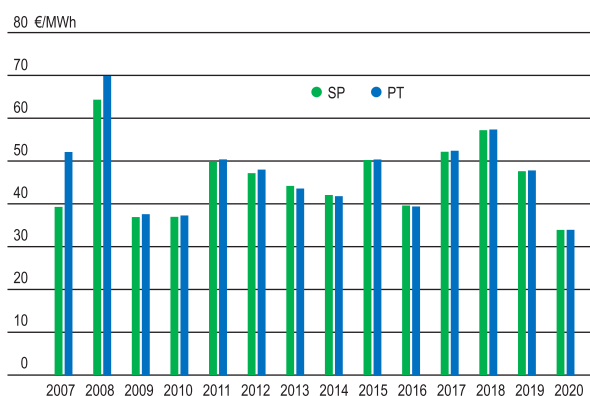
DERIVATIVES MARKET

DERIVATIVES MARKET

4.1 Background

In 2020, due to the impact of the Covid-19 pandemic the average annual spot prices of electricity dropped 13.72 EUR/MWh and 13.88 EUR/MWh compared to the previous year, respectively in the Spanish and Portuguese MIBEL zones.

FIGURE 01
PSPOT PRICES (€/MWh) 2007 TO 2020.
ANNUAL AVERAGE. SPANISH AND PORTUGUESE ZONES



In 2020, as in previous years, the average price in the Portuguese zone was higher than that in the Spanish zone by 0.03 EUR/MWh. The last year in which the price in the Portuguese zone was lower was in 2016.

As for Futures in the Spanish zone, and considering contracts with greater liquidity (Following Month, Following Quarter and Following Year), they also tended to sharply decrease in the first quarter of the year, and recovered from then on until the end of the year.

The annual average trend clearly pointed downwards. Monthly contracts decreased from 50.71 EUR/MWh in 2019 to 36.90 EUR/MWh in 2020, while quarterly contracts dropped from 54.29 EUR/MWh in 2019 to 39.84 EUR/MWh in 2020, and the average price of annual contracts fell from 54.79 EUR/MWh in 2019 to 43.99 EUR/MWh in 2020.

FIGURE 02
PRICE FOR FUTURES FIRST CONTRACTS (€/MWh).
SPANISH ZONE.

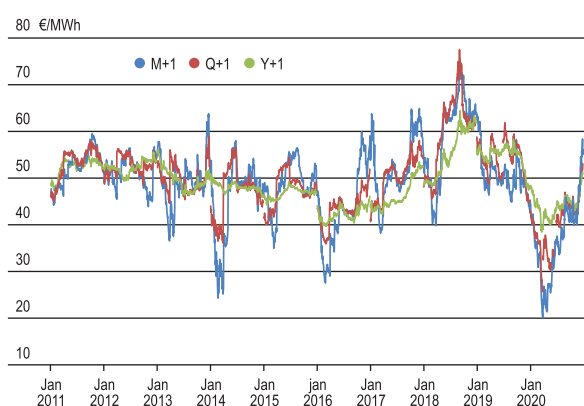
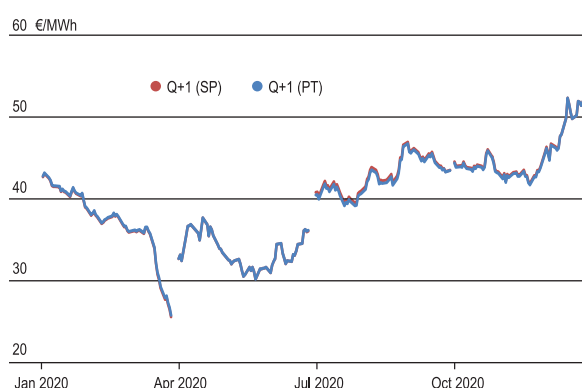


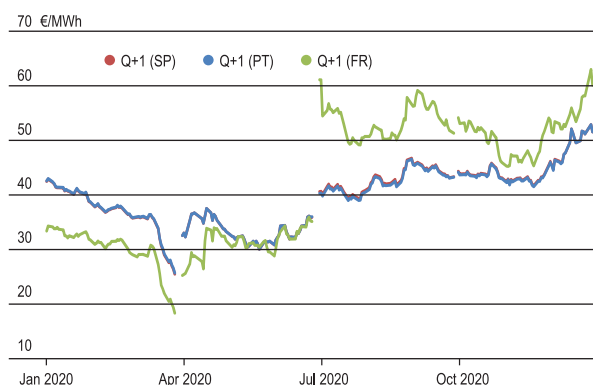
FIGURE 03
CHANGES IN THE PRICE OF FUTURES CONTRACTS
FOLLOWING QUARTER (Q+1) IN 2020, IN THE MIBEL
SPANISH AND PORTUGUESE ZONES



With regard to the French zone, the scenario clearly differed from the first to the second year-half. In the first year-half, prices in the French zone were lower than those of MIBEL, the average difference being about 4 €/MWh, while the situation reversed in the second year-half, with prices increasing. The longer-than-expected maintenance shutdown plans in some nuclear plants in France disclosed in the middle of the year, can explain this behaviour.

FIGURE 04

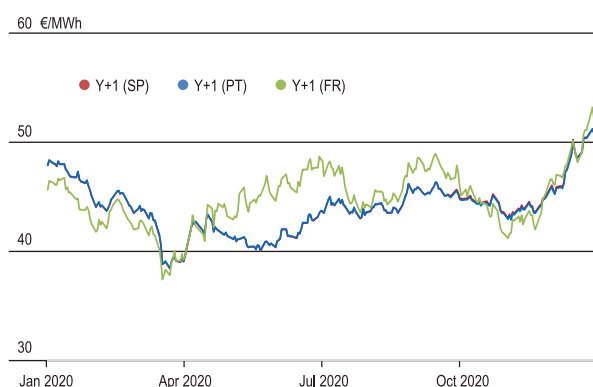
CHANGE IN THE PRICE OF FUTURES CONTRACTS FOLLOWING QUARTER (Q+1) IN 2020, IN THE SPANISH AND PORTUGUESE MIBEL ZONE AND IN THE FRENCH ZONES



In the annual contracts with delivery in 2021 (Figure 5), the price of French products ranged between periods where prices were lower and higher than those of the Spanish and Portuguese zones. In May, the contract for the French zone reached a price 6 €/MWh above MIBEL prices.

FIGURE 05

CHANGES IN PRICES OF FUTURES CONTRACTS FOLLOWING YEAR (Y+1) IN 2020, IN THE SPANISH AND PORTUGUESE MIBEL ZONES AND IN THE FRENCH ZONE



4.2 Clearing and Settlement

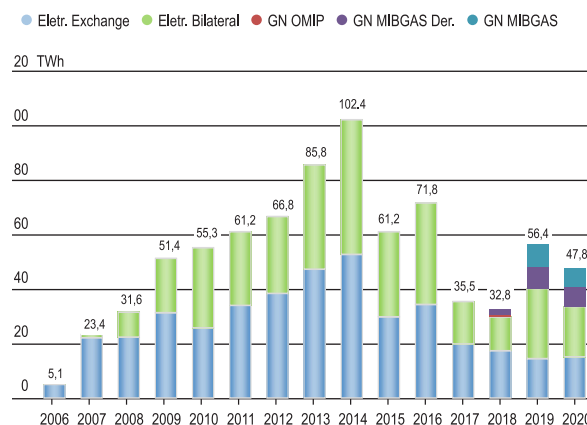
The volume registered and cleared by OMIClear, considering electricity and natural gas derivatives from OMIP and MIBGAS Derivatives, dropped 15% compared to the previous year, from 56.4 TWh to 47.8 TWh. The volume of natural gas contracts represented about 30% of the total cleared by OMIClear, compared to 29% in 2019. The notional value represented €1.585 million.

TABLE 02 OMICLEAR ACTIVITY INDICATORS

	2020	2019
Registered volume (TWh)	47.8	56.4
Electricity	33.6	40.3
Natural gas	14.2	16.1
Notional value registered(M€)	1,585	2,408

FIGURE 06

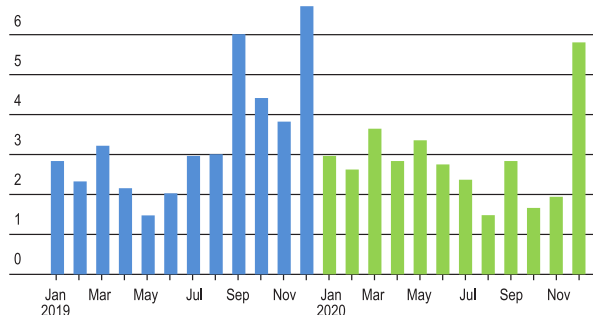
ANNUAL VOLUMES CLEARED BY OMICLEAR (TWH)



In 2020, of the 33.6 TWh cleared electricity volumes, 15.1 TWh were cleared either through continuous trading or auctioned at OMIP, and 18.4 TWh through OTC registrations. As regards natural gas, a total of 14.2 TWh were cleared, from auctions and continuous trading in MIBGAS (6.9 TWh), and auctions, continuous trading and OTC registration in MIBGAS Derivatives (7.3 TWh).

The separate analysis of each month, in the electricity segment, shows that cleared volumes typically show some volatility throughout the year. March and December were the months with the largest volumes, and August and October those with the least volume registered with CCP.

FIGURE 07
MONTHLY ENERGY VOLUME (ELECTRICITY)
REGISTERED WITH OMICLEAR IN 2019 AND 2020 (TWH)



With the aim of continuing to promote market liquidity, OMIClear worked with OMIP to support the Market Makers programme. In this context, the following aspects are particularly relevant:

- The setting up of an annual contract with all Market Makers;
- In 2020, the same companies continued as Market Makers: Endesa and AXPO Ibérica.
- In 2020, Market Makers mediated the monthly, quarterly and annual Futures contracts in the Spanish zone.

FIGURE 08 MARKET MAKING IN THE OMIP MARKET. FUTURES SPANISH ZONE

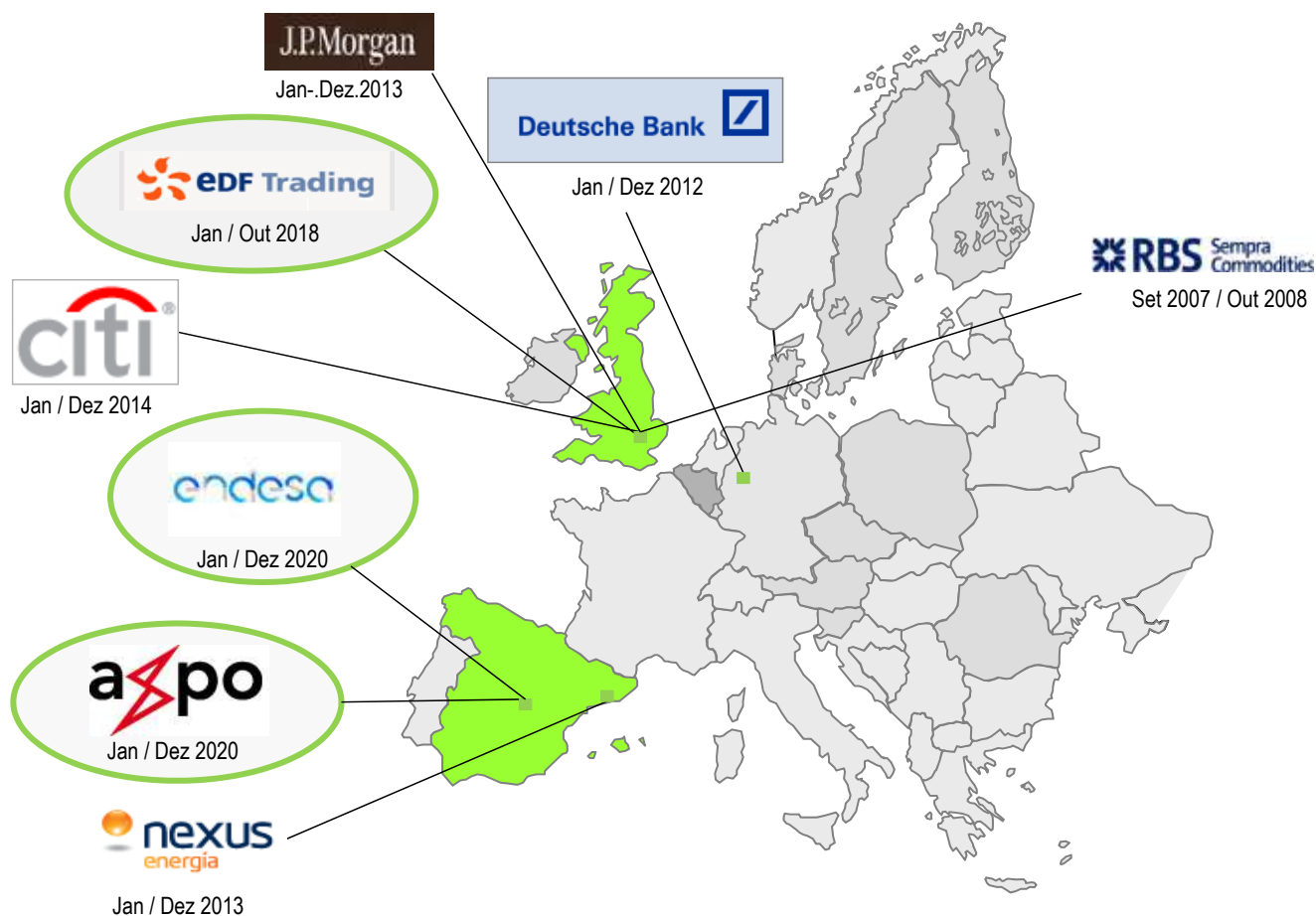


FIGURE 09
DISTRIBUTION OF VOLUMES CLEARED BY OMICLEAR
BETWEEN IBERIAN AND NON-IBERIAN ENTITIES (2020)

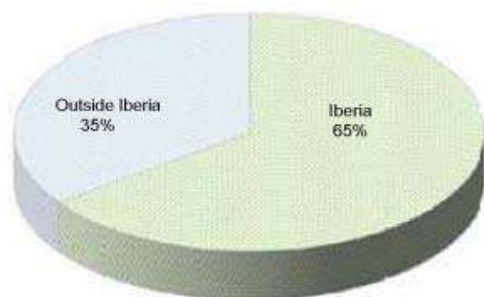
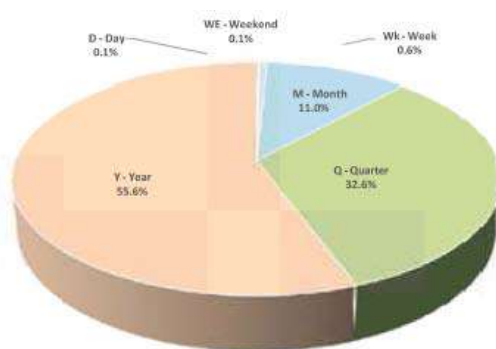


Figure 9 shows that 65% of the total electricity volume cleared was traded by entities domiciled in the Iberian Peninsula, a percentage higher than that in 2019 (60%), showing the growing weight of Iberian entities in forward trading on the MIBEL market.

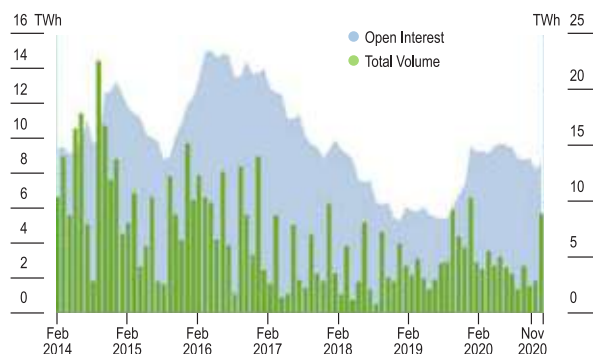
As regards contracts listed for trading, and in terms of equivalent energy, annual contracts were traded the most (about 55,6% of the total available portfolio at OMIP, as shown in figure 8, followed by quarterly and monthly contracts. Short term maturity financial instruments are still clearly the ones with the least market share. Weekly contracts represent 0.6% of traded volume, while weekend and daily contracts represent only 0.1% each.

FIGURE 10
DISTRIBUTION OF CLEARED VOLUME
BY MATURITY AT OMIP



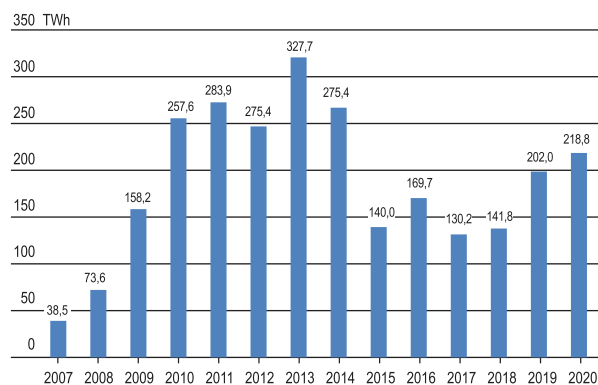
Open Interest positions in the electricity segment showed a slight downward trend from the second half of 2020 onwards, in line with the drop in volumes cleared in that period.

FIGURE 11
AVERAGE MONTHLY VALUE OF OPEN POSITIONS
OF ELECTRICITY CONTRACTS REGISTERED
WITH OMICLEAR (MWh)



Although the volume traded on the OMIP forward market increased (continuous and auction) compared to 2019, volumes traded on the OTC market and registered with OMIP dropped 29% compared to 2019, representing an overall decrease of the electricity segment of 17%.

FIGURE 12
ANNUAL VOLUME OF TOTAL OTC (CLEARED BY THE
CLEARING HOUSE AND OTC)



Despite this drop in the electricity segment, OMIClear continued its effort to diversify its activities, not only in the natural gas market but also in electricity. OMIClear launched in June the trading and registration of electricity futures contracts with a maturity of 8 years (Year+8), 9 years (Year+9) and 10 years (Year+10) at OMIP, to be subsequently cleared and settled at OMIClear. Also in July the first trading in these long-term maturities were registered.

4.3 Participants

OMIClear has three types of participants: (i) clearing members, which are counterparties in the registered operations; (ii) settlement agents, who only play the complementary role of facilitating or providing settlement services to the clearing members, through the TARGET2 System of European Central Banks in the case of financial settlements, and through OMIE and Enagás GTS, in the case of physical settlements, thus not being a counterparty in the transactions, and (iii) registration agents, who are the clients of the clearing members, with whom they deal with, and who are able to register operations cleared or set-

tled by OMIClear, through access to the platforms of negotiation, registration or clearing.

In 2020, one new general clearing member was admitted and two direct clearing members and a general clearing member ceased their activity.

At the end of the year, there were 9 clearing members and 89 registration agents. In turn, there were 55 settlement agents, 49 of whom dealing with physical settlement and 6 with financial settlement.

The table below lists the OMIClear participants as at 31 December 2020, specifying the status of each participant.

TABLE 03 LIST OF PARTICIPANTS (31 DECEMBER 2020)

	Direct Clearing Member	General Clearing Member	Registration Member	Financial Settlement Agent	Physical Settlement Agent
Acciona GED					
Alpiq AG					
Antuko Energia					
AXPO Iberia					
Banco L.J. Carregosa					
Banco Santander					
BP Gas Europe					
BP Gas Marketing Limited					
Caixa Geral de Depósitos					
Catgas Energia					
Céltica Energía					
Cepsa Gas Comerc.					
Cepsa Gas y Electricidad					
CIMD					
Citadel Energy Invest.					
Comerc. Regulada G&P					
Danske Commodities, A/S					
Deutsche Bank – Suc. Port					
DISA Energy					
Dreue Electric S.L.					
DXT Commodities					
Ecochoice, S.A					
EDF Trading Limited					
EDP Clientes					
EDP Energias de Portugal					
EDP España: S.A.U.					
EGL, A.G.					
Endesa Energía S.A.					
Endesa Energía XXI, S.L.					
Endesa Generación, S.A.					
Enérgya VM					
Enforresco S.A.					
Engie España					
Engie Global Markets					
Eni Trading & Shipping					
Evergreen Electrica S.L					
Factor Energía, S.A.					
Fenie Energía					
Foener Energía, S.L.					
Fortia Energía Servicios					
Fortia Energía, S.L.					
Freepoint Commodities Eur.					
Futura Energía y Gas					
Galp Gas Natural, S.A.					

(cont. next page)

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	Direct Clearing Member	General Clearing Member	Registration Member	Financial Settlement Agent	Physical Settlement Agent
Galp Gás Natural, S.A.					
Galp Power, S.A.					
Gas Natural Comercializadora					
GeoAtlante S.L.					
Gesternova, S.A.					
Gnera Energía y Tecnología					
Goldman Sachs Bank Europe					
Goldman Sachs International					
Goldman Sachs Paris					
HEN - Serviços Energéticos					
Holaluz-Clidom					
Iberdrola CUR					
Iberdrola Generación España					
ICAP Energy, AS					
Ignis Energía					
Incogas					
J. Aron & Company					
Jafplus Energía Lda					
Kyonynsys Century S.L.U.					
Ledesma Comerc. Elec.					
Macquarie Bank Limited					
Mercuria Energy Trading, S.A.					
MET International					
Molgas Energía					
Morgan Stanley Bank, AG					
Naturgy Commodities Trading					
Naturgy Energy Group, S.A.					
Nexus Energía, S.A.					
Pavilion Energy Spain					
PetroChina (London)					
PH Energía, Lda					
Régisiti Comerc. Reg.					
Repsol Generación Eléctrica					
Repsol LNG Holding					
Repsol Trading, S.A.					
Rock Trading World					
RWE Supply & Trading					
Shell Energy Europe Ltd.					
SU Eletricidade, S.A.					
SWAP Energía, S.A.					
Switch Energy, S.L.					
Total Gas & Power Ltd.					
TP ICAP (Europe)					
TrailStone GmbH					
Trafigura PTE Ltd					
Tullett Prebon (Securities) Ltd.					
Unión Fenosa Gas Comerc.					
Uniper Global Commodities SE					
Vertsel Energía S.L.U.					
Viesgo Renovables					
Villar Mir Energía					

Spain and Portugal account for the majority of companies registered with OMIClear, in all categories, though the distribution of that representation is not symmetrical for all functions.

TABLE 04
ORIGIN OF OMICLEAR'S PARTICIPANTS (DECEMBER 2020)

	Direct Clearing Member	General Clearing Member	Registration Agent	Financial Settlement Agent	Physical Settlement Agent
Spain	3	1	53	1	33
Portugal		2	11	3	3
France		1	1		
United kingdom		1	10		4
Ireland			1		
Germany			4	2	2
Switzerland			6		6
Belgium	1		1		
Denmark			1		
Norway			1		
USA					1
TOTAL	4	5	89	6	49
Iberian	3	3	64	4	34
Non-Iberian	1	2	25	2	12

As in recent years, a survey was carried out among clearing members to analyse the levels of risk taken by OMIClear. The main conclusions are that both the systems and the management model

have responded very adequately to market needs and that each member's risk level lies within very comfortable parameters in view of the guarantees deposited.

05

RISK MANAGEMENT SYSTEM

RISK MANAGEMENT SYSTEM

The risk management system is designed in accordance with the EMIR and the respective implementing legislation.

The Board of Directors is responsible for implementing the strategy and the OMIClear's risk management system.

OMIClear breaks down risks into the following categories, each of which is controlled according to specific principles:

- Credit Risk;
- Legal and Operational Risk;
- Liquidity Risk;
- Market Risk; and
- Commercial Risk.

Given that credit risk is the most relevant risk to which OMIClear is subject, it is fully covered by the margin system. In 2020, the risks measured according to the rules laid down in the Commission Delegated Regulation (EU) No 152/2013 were always hedged by the available funds.

In operational terms, the Board of Directors is directly responsible for assessing commercial risk. In agreement with the risk management principles in force, the follow-up, monitoring and control of credit, liquidity and market risks, as well as the reporting to the Board of Directors and the Risk Committee were carried out by the Chief Risk Officer with the support of the clearing department. The monitoring of the legal and operational risk continued to be the charge of the Chief Internal Audit, while the Chief Risk Officer remained in charge of reporting on a monthly basis (risk indicators) to the Board of Directors and the Chief Internal Audit on an annual basis (report on the exposure to the legal and operational risk).

A risk report, which is the key tool to inform the administration body about the risk situation of OMIClear, is prepared every month.

This report is complemented by *ad hoc* reporting on specific topics whenever materially relevant

situations arise. The situation is reported to the Risk Committee at least three times a year.

Internal Audit assesses the suitability and operability of the risk management system.

5.1. Credit Risk

One of the key elements of the risk strategy is to fully cover the counterparty risk by building several lines of defence, consisting of the following main components:

— Conditions for admission

Only institutions with sufficient financial capacity and with the appropriate human, technical and operational conditions to settle the registered operations are admitted as clearing members.

— Daily market-to-market over futures contracts

Daily market-to-market during the trading and delivery period of all futures contracts registered and cleared with OMIClear are credited or debited to the respective clearing members on a daily basis.

— Daily market-to-market over Swaps and Forwards

Daily market-to-market during the trading and delivery of Swaps and Forwards registered and cleared at OMIClear are credited or debited to the respective clearing members on a monthly basis. Until the settlement date, clearing members with a negative daily market-to-market must have that balance always covered by guarantees

— Margin system of the clearing member

Clearing members must at all times have constituted guarantees with OMIClear to cover both their own responsibilities and those of their clients.

The responsibilities of each clearing member include a margin (initial margin) to cover the risk of incurring in losses in the closing of positions in a short period of time, arising from the worst price variation estimate. The parameters used to calculate this margin follow the principles defined in Chapter VI (Margins) of the Commission Delegated Regulation (EU) No 153/2013, namely in terms of: (i) confidence interval (OMIClear: 99 %); (ii) a time horizon that covers a full range of market conditions, including periods of stress (OMIClear: since the first observation, with the exception of Futures SPEL Base, for which the period considered goes from January 2008 to the most recent date when the margin was calculated); (iii) period of settlement of positions in a default scenario (two days); (iv) margin credits based on evidence of price correlation and in accordance with the limit imposed in Article 27 of said Regulation, and (v) limitation of the procyclicality effect (OMIClear: application of a 25 % weighting factor to stress situations observed in the period under analysis). Furthermore, to calculate the initial margin OMIClear applies aggravating factors over positions above a specific volume and for which a settlement period of three days is considered.

In addition to the initial margin, which is calculated for each clearing account, clearing members are also required to consider an extraordinary margin if the aggregate net positions of all clearing accounts are considered concentrated positions (extraordinary margin for concentration risk). This margin is calculated per product and applies whenever the open positions in a given product exceed the value equivalent to 3 times the average daily volume traded in the last 12 months

— Autonomous reserve

The autonomous reserve consists of the amount resulting from the enforcement of fines and pecuniary payments by OMIClear on participants, less costs and charges that OMIClear may have incurred as part of the respective sanction procedures.

The autonomous reserve is a specific OMIClear fund intended to cover default cases and is identified as such in the balance sheet.

— Other OMIClear funds (*Skin in the game – SIG*)

OMIClear has also established a cash reserve in the amount of €1,875,000, fully available and intended to cover defaults.

— Clearing fund

The clearing fund is an additional form of security that is shared by all the clearing members. This fund is designed to respond to the default of a clearing member whose costs to solve it are greater than the guarantees provided by the defaulting member for that purpose, namely those constituted as margins and additional collateral.

The amount of the clearing fund is established according to the results of the stress tests carried out daily in extreme but plausible scenarios. The clearing fund is defined according to the following assumptions: (i) it should allow OMIClear to cover the default of the clearing member to which it is more exposed, or of the second or third clearing members to which it is more exposed, if the total of those exposures is higher, and (ii) along with OMIClear's other own financial resources, (SIG and autonomous reserve), it should cover a default situation of at least two clearing members to which it is more exposed in extreme but realistic market conditions.

Additionally, a minimum individual contribution of €150,000 is established for each clearing member.

— Additional liability in the clearing fund

Each clearing member takes on an additional liability in an amount equal to its reference value used to set up the clearing fund, therefore the value of its overall liability is equal to twice the reference value. This liability is only required in a default situation where the amount of the contribution to the clearing fund (pre-collateralised as guarantee) is not sufficient.

— Constitution of guarantees and haircut applied to guarantees

OMIClear only accepts guarantees in the form of cash and financial instruments representative of public debt. To avoid the exchange rate risk, only amounts in EUR are accepted. Price fluctuation of financial instruments is covered by applying properly evaluated haircuts.

Guarantees are re-evaluated daily, taking into consideration the risk of concentration.

Additionally, there is a counterpart credit risk arising from the enforcement of the cash guarantees

received from clearing members. For this reason, these funds are used (i) in repo operations against titles with a low risk and high liquidity, (ii) in short term collateralised deposits with a low risk and high liquidity titles, or (iii) in checking accounts with Banco de Portugal, or (iv) in non-collateralised one-day deposits, and in all cases with credit institutions recognised by OMIClear (subject to an external credit risk evaluation carried out by OMIClear, as per its internal policy).

The counterparty risk in 2020 – measured by the initial margins required of the clearing members – peaked at €103.4 million on 29 May, and an average value of €79.7 million, compared to the average value of €71.1 million in 2019.

The total value of guarantees deposited with OMIClear to meet the liabilities taken on by the clearing members by way of margins represented, on average, 2.1 times the total value required as initial margins. Note that the average calculated for the various members was of 5.0.

In 2020, the evolution of the total initial margin and of the collateral deposited to meet the liabilities of clearing members by way of margins is as shown below:

FIGURE 13
CHANGES IN THE TOTAL INITIAL MARGIN
AND DEPOSITED COLLATERAL ALLOCATED
TO THIS MARGIN IN 2020

In 2020 the development of the Clearing Fund and of the amounts deposited by members with OMIClear to cover this liability was as follows:

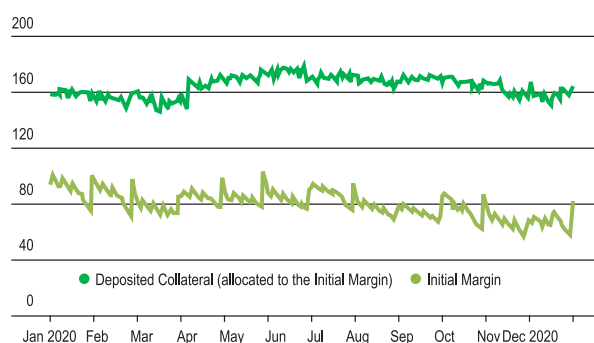
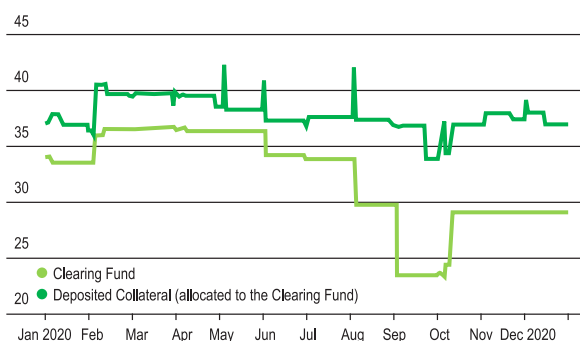


FIGURE 14
DEVELOPMENT OF THE CLEARING FUND
AND OF THE DEPOSITED COLLATERAL
ALLOCATED TO THE CLEARING FUND IN 2020



Regarding the Daily Trading Limit (DTL), which roughly indicates the value of collateral available to be used in additional margins, there was only one marginally negative situation.

For risk control purposes, OMIClear daily monitors, for clearing each member, the percentage (%) represented by the DTL in relation to the respective guarantee deposited. Whenever this percentage falls below 10 %, OMIClear contacts the entity in question and advises it to increase the guarantee deposit.

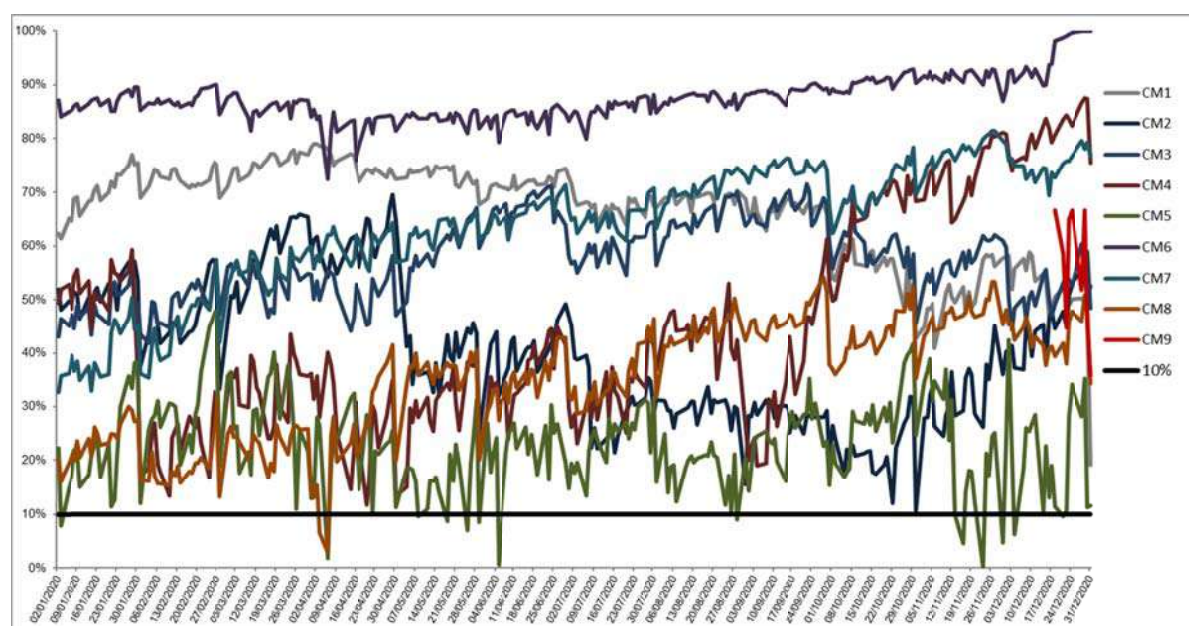
Figure 15 shows the DTL values for all OMIClear's clearing members in the period under analysis, excluding one clearing member that only secured guarantees to cover the liability relating to the clearing fund, and two new members that only secured guarantees to cover the clearing fund's liability and who became OMIClear members to replace the entities of the same group with head office in the United Kingdom, to whom the above DTL references do not apply. These three entities cancelled their activity in 2020.

Since 14 July 2014, as a result of the change of OMIClear's rules, general clearing members (GCM) began to distinguish between their own guarantees and those of their clients through two distinct guarantee accounts – own guarantee account and clients' guarantee account. Furthermore, for liabilities used to calculate the DTL, a separation was also introduced between the GCM's own liabilities and those of its clients. Given that (i) these four GCM's own liabilities only correspond to their contribution for the clearing fund, which is stable throughout the month, and (ii) OMIClear recommends a DTL ratio over the guarantee deposited of more than 10 % only for members who present liabilities arising from open position, the results presented below only take into consideration the

amounts referring to the accounts of these GCM's clients, and the own accounts of the remaining direct clearing members.

The development of the DTL/collateral deposited ratio (%) in 2020, per clearing member, is described as follows:

FIGURE 15
CHANGES IN THE DTL/DEPOSITED COLLATERAL RATIO (%) IN 2020



Two clearing members achieved, sixteen (16) times, a DTL/ deposited collateral ratio lower than the minimum limit of 10 % as recommended by OMIClear. Fourteen (14) of these occurred due to losses registered by members during the session, the remaining cases as a result of the increase in the initial margin due to the fact that monthly contracts are now considered for delivery on the last trading day, reflecting the increased risk associated with the closing out of positions during the delivery period. In any case, the said ratio was again more than 10 % after the daily financial settlement of the following clearing day.

As regards assets handed as guarantee in transactions in which OMIClear assumes the counterpart risk (transactions in electricity and natural gas derivatives contracts), were distributed as follows:

TABLE 05
ASSETS DELIVERED AS GUARANTEE
(31 DECEMBER 2020)

Type of Asset	Amount
Cash	€209 424 258
Securities	0.0
TOTAL	€209 424 258

5.2. Operational risk

Operational risk is defined by the potential losses arising from the following situations:

- Faults in the protection and processing of information produced;
- Non-compliance with applicable laws and regulations;
- Inadequacy of human resources, in terms of number and quality thereof;
- Errors or non-compliance by external service providers;
- Faults in procedures, operation analysis, processing or settlement;
- Unserviceability of the physical infrastructure;
- Fraud.

The risk strategy aims at minimising operational risks by increasing the automation of operations combined with strict and thorough testing procedures. The risk arising from the use of external service providers is minimised by assessing service quality before procurement.

OMIClear implemented back-ups for critical transactions, which are regularly tested.

Internal procedures of relevant processes are properly documented. Control sheets are available for some of these procedures with the purpose of reducing errors or omissions.

Legal and non-compliance risks are minimised through the strict observation and compliance of the applicable laws together with the use of predefined contractual templates and forms.

5.3. Liquidity risk

Liquidity risk may arise from the daily settlement process or from the default of a clearing member.

The business management strategy takes into consideration the fact that settlements arising from daily transactions do not generate materially relevant time differences. In this sense, OMIClear's risk management strategy aims to avoid time differences between assets and liabilities through a suitable policy of liquidity surplus allocation. The financing needs to settle current expenses (including the disburse-

ment of results) are planned and covered in the context of medium term liquidity planning.

The risk of default of a clearing member and the potential impact that this situation may have on liquidity are controlled through stringent stipulations of convertibility of guarantees into cash, through haircuts applied to guarantees received, and limiting the risk of concentration of the guarantees received. Considering the negative interest rates in the euro area economy, since October 2019 OMIClear opted to deposit a significant part of cash collateral in a current account with Banco de Portugal, so that this amount is always available to meet the liquidity needs arising from the simultaneous default of the two clearing members with the most substantial potential losses. As long as this situation persists, credit lines negotiated with commercial banks to meet possible liquidity needs are not necessary.

5.4. Market risk

Since the clearing members' positions in electricity and futures derivatives contracts are constantly evaluated at market values, they do not present this type of risk.

As regards Portuguese public debt securities held between 14 May and 14 August 2020, which were acquired under repo operations carried out to collateralise at least 95% of the cash held by OMIClear, it should be noted that the risk inherent to price fluctuations was permanently hedged by properly assessed haircuts. Between 1 January and 14 May, and 15 August and 31 December, OMIClear did not carry out this type of operation and opted to deposit 95% of the cash, either that corresponding to its own funds or that delivered by the members as collateral, with Banco de Portugal.

5.5 Commercial risk

The commercial risk of OMIClear, whose core business consists of providing clearing and settlement services of energy derivative financial products in the Iberian Peninsula, France and Germany and natural gas in Spain, is associated to the volumes cleared in these contracts.

As a central counterparty and as part of its activity, it is also highly exposed to the direct competition from other central counterparties.

The income from commissions is closely linked to the volume of transactions registered with OMIClear. Consequently, commercial risk arises from the income's dependence on a limited number of products, relating to the potential drop in volumes at the same time that fixed costs remain unchanged. Since commercial risk is mostly centered on the reduction of profits through possible variations in the volume of registered transactions, in a scenario of decreased volumes it will be more difficult to offset this situation by adjusting the fixed costs within a reasonable period of time.

With this in mind, OMIClear's strategy involves monitoring this risk by constantly overseeing the evolution of income and ensuring that costs are in line with the budget. Therefore, in 2019 and 2020 OMIClear added a series of new products to its portfolio in both the energy and natural gas markets. The introduction of these new products allowed OMIClear to diversify the traded volumes, the natural gas contracts reaching a share of 30% of the total registered volume in 2020, against a 9% share in 2018.

OMIClear aims to consistently reduce its exposure to the risks inherent to its economic activity by adopting management measures specifically aimed at strengthening the client base, both in terms of numbers and of geographical spread, and at increasing the number of services provided to market participants.

5.6 Summary of OMIClear's risk situation

The authorisation granted to OMIClear to operate as a central counterpart is conditional upon maintaining a minimum amount of capital. The capital, including retained earnings and reserves, must at all times be proportional to the risk arising from its activities, to ensure that the company is adequately capitalised against credit, counterpart, market, operational, legal and commercial risks that are not already covered by specific financial resources, and has the capacity to settle or restructure its activities if necessary.

Potential losses arising from the default of clearing members are covered by OMIClear's margin system.

OMIClear's equity, minus the reserves intended to address default situations, which as at 31 December 2020 amounted to €8,930,301, is about 3 times more than the capital needed to deal with risk assumed, calculated according to the rules stipulated in the Delegated Regulation (EU) No 152/2013 of the Commission.

The overall assessment of 2020 does not show any threat to business continuity either as a result of individual risks or of the aggregated risks. The Board of Directors does not foresee major changes to the company's risk profile in the course of 2021.

06

INFORMATION SYSTEM

INFORMATION SYSTEM

In 2020, Information Systems once again focused on the typical functional areas of this department over the years, but with growth in the internal development of applications and also in cybersecurity.

The functional areas and most relevant activities are as follows:

1. Support and maintenance of applications and internal and external services:

- Specify and test new technical functionalities or change of existing functionalities;
- Develop applications or mechanisms to assist the daily operational tasks of the clearing department.
- Coordinate the implementation of changes in productive environments or in non-productive environments;
- Support and communication with agents to notify changes or solve problems;
- First line of support in the resolution of technical problems (helpdesk service);
- Analysis and adjustment to regulatory changes.

2. Management of the relationships with external suppliers:

- Support the communication between suppliers and operational departments.

- Maintain the service support infrastructure;
- Manage service levels.

3. Maintain business continuity as well as the information security management system:

- Document verification and updating;
- Carry out periodical tests on systems and infrastructure;
- Annual compliance assessment activities:
 - External audit of Information Systems in accordance with the stipulations of Article 9 of EMIR;
 - SWIFT: Customer Security Programme;
 - Banco de Portugal: TARGET2 Self-Certification;
 - Interbolsa: Operational Risk Questionnaire.

4. Cybersecurity:

- Participation in the Cybersecurity Committee meetings of the OMI group aims at defining and monitoring the development of cybersecurity activities, and to discuss ideas and solutions across the group;
- Analysis and mitigation of vulnerabilities identified by the National Cybersecurity Centre and by the SIEM/SOC security service provider;

Note also the most relevant technical works carried out in 2020, or to which the Information Systems gave their input:

- Analysis, specification and tests on the site and platform of the Integrated Collateral Manager of the National Electricity System, from an application point of view and also in the design and contracting of the support infrastructure;
- Unification of integration services with market and network operators into a central service that will be easier to manage and expand in the future;
- Connectivity tests with REN Gasodutos in preparation for the roll-out of the gas market with delivery in the VTP;
- Definition of procedures and transfer of exchange of information, part of the roll-out of OTC products on weather derivatives cleared with OMIClear;
- Review and expansion to the clearing report transfer service to accommodate the admission of general clearing member Renta4.
- Development of a process in an internal platform to automate the calculation of the risk parameters applied by OMIClear, in compliance with the best practices for reducing operational risk.
- Complete and put OMIClear's new corporate website into service, in line with the design and technology used by all OMI Group companies;
- Entry into operation of Deloitte's CyberSOC service, which collects and correlates events from various OMIClear information sources with a view to identifying threats in the company's cyberspace;
- Define the OMI Group's cybersecurity master plan for 2021 and 2022.

Finally, a new collaborator joined the team at the end of the year, making an important contribution to strengthening OMIClear's systems management and maintenance activities, at applicational level and at the level of information security and business continuity.

On this topic, note should be taken of the work carried out by or assisted by the Information Systems Department:

- Updating the business continuity plan in the Datacenter area, and preparation and execution of a disaster and recovery test in the same area;
- Awarding of services and licensing of a continuous phishing test scheduling platform, to assess the awareness of OMIClear employees to these types of threats.

As part of the activities defined at the OMI Group level, the following activities of the department in the past year are worthy of note:

07

ORGANISATION

ORGANISATION

7.1 Shareholders

OMIP – Pólo Português, S.G.M.R., S.A. (50%)

OMI – Polo Español, S.A. (50%)

7.2 Governing Bodies (3—year period 2018-2020)

Board of the Shareholders' Meeting

Manuela Lopes dos Santos.....Chairman

Rafael Ramos GilSecretary

Board of Directors

Carmen Becerril MartinezChairman

(vacante)¹.....Vice-Chairman

António Erias Rey.....Voting member

José Manuel Amado da Silva.....Voting member

Gonzalo Solana GonzálezVoting member

Monica Guardado Rodriguez².....Voting member

Audit and Compliance Committee

Gonzalo Solana GonzálezChairman

José Manuel Amado da Silva.....Vice-Chairman

Appointment, Remunerations and Sustainability Committee

Antonio Erias Rey.....Chairman

Gonzalo Solana GonzálezVoting member

José Manuel Amado da Silva.....Voting member

Supervisory Board/Statutory Audit

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

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

1. Artur Álvaro Laureano Homem da Trindade resigned on 17 December 2020.

2. Elected on 22 January 2020. Authorised by CMVM on 2 April 2020.

7.3 Risk Committee

Pursuant to Article 28 of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 (EMIR), OMIClear established a Risk Committee formed by the two independent members of the Board of Directors, three representatives of its clearing members, and two representatives of its clients.

In 2020, the risk Committee comprised the following members:

José Manuel Amado da Silva (Independent).....	Chairman
Gonzalo Solana González (Independent)	Vice-Chairman
Cristóbal Lovera (Endesa Generación, S.A.).....	Voting member
Julián Calvo Moya (Iberdrola Generación España, S.A.U.).....	Voting member
Luis Sánchez Pintado (Banco Santander, S.A.).....	Voting member
Joaquín Ubero Almunia (Axpó Iberia, S.L.U.)	Voting member
Juan Carlos Durán Iglesias ³ (Unión Fenosa Gás, S.A.).....	Voting member

All members have solid expertise and knowledge of OMIClear's areas of activity.

The functions of the Risk Committee are set out in Article 28 of the EMIR and involve advising the Board of Directors on matters related to the different types of risks to which the central counterpart is exposed, as well as its risk management structure, organisation and procedures. The Risk Committee met three times in 2020, and gave its opinion on a broad number of issues, namely the new margin system, the method used to test market risks, new products, the credit risk policy and the liquidity plan.

With the exception of the two independent members, whose term of office is the same as that of the members of the Board of Directors, the term of office of the Risk Committee members ends in June 2022.

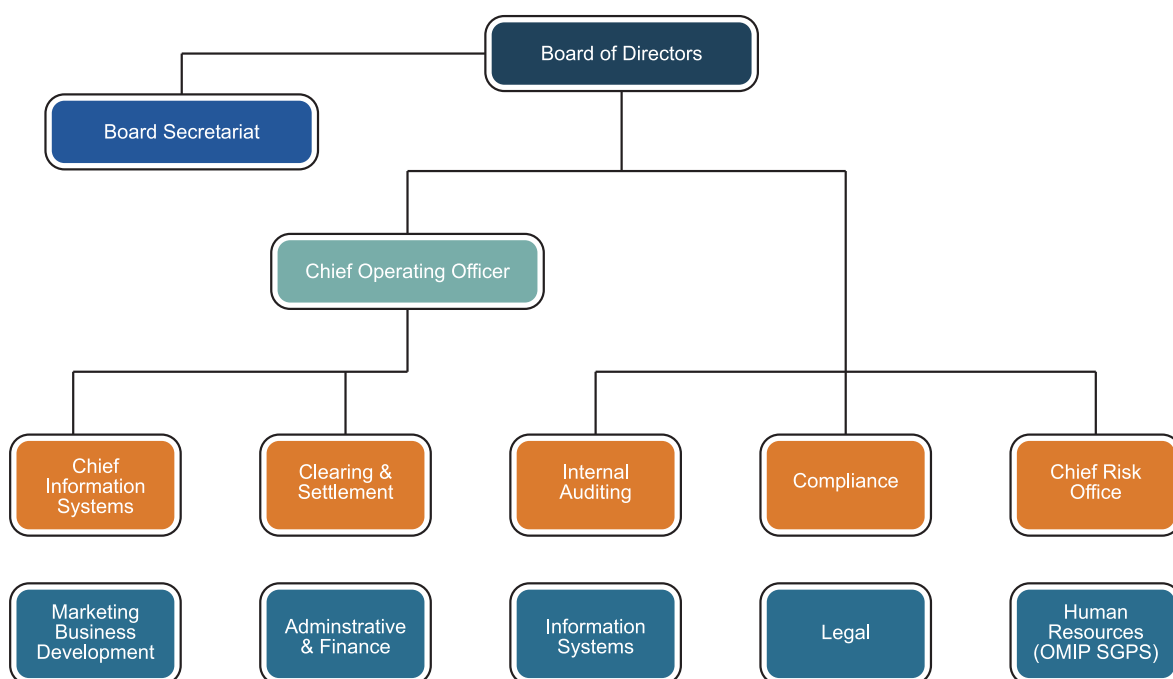
7.4. Staff

In terms of organisational structure, OMIClear has a specific operational area dedicated to the core management of the central counterpart, including all the inherent functions and, in particular, risk management.

OMIClear benefits from a set of services in some support areas, which, according to the limits and the conditions set out in the applicable legislation, are contracted out to other group companies.

3. Took up office on 1 July 2020 to replace Rodrigo Mario Lino Braamcamp, whose term of office as voting member of the Risk Committee ended on 30 June 2020.

FIGURE 16 ORGANISATIONAL CHART



As at 31 December 2020, OMIClear had, in addition to the six members of the Board of Directors, 11 staff, six male and five female, four of which working exclusively with clearing and settlement.

08

OUTLOOK FOR 2021

OUTLOOK FOR 2021

The Covid-19 pandemic deeply affected all sectors of activity in 2020, and in the particular case of energy markets caused a significant increase in the volatility of various commodities, namely electricity, natural gas and CO2 emission rights. Macroeconomic expectations and, therefore the forecasts on the evolution of demand for electricity and natural gas, will be largely affected by how the pandemic situation progresses, so the level of uncertainty on demand for different energy sources remains high for 2021 and beyond.

Em 2020, OMIClear, like most CCPs, efficiently managed the high volatility in March and April. The balance between market stability and the more demanding requirements for guarantees, during periods of greater stress is a subject that is worth while discussing at sector level, for example with regard to anti-procyclicality measures.

Regarding the outlook for the business in 2021, in addition to the challenges of the overall developments in world and European economies, namely the recovery of the economic activity and energy demand, OMIClear, like the other OMI Group companies, will remain active and keep a careful watch on the development of domestic electricity and natural gas markets, in the context of energy transition and decarbonisation of the economy. In particular, in 2021 OMIClear will work together with OMIP to further expand its portfolio of natural gas services, developing tools to facilitate the management of risks associated with difference in pricing between electricity and natural gas.

In the natural gas contract clearing activity, OMIClear, in coordination with MIBGAS, aims to expand the geographical scope of its service to offer the service of clearing natural gas contracts with physical settlement in the Portuguese Virtual Point (VTP). In the electricity segment, OMIClear will monitor market developments as regards Power Purchase Agreements (PPAs), and will continue to work to increase the number of agents with access to its service. The cooperation of all stakeholders will be critical to the success of this latter activity, especially with the new bank that has recently taken over the role of General Clearing Member.

OMIClear is also looking into new areas of products and services that allow coverage of volume risks and the expansion of its portfolio, against a background of increased investment in technologies for electricity production from renewable sources. OMIClear also aims to continue to collaborate within the OMI Group, extending this collaboration to those areas and activities where risk management know-how is appreciated. In terms of international cooperation, OMIClear will continue to participate actively in the activities carried out by international associations, including the European Association of Clearing Houses (EACH), of which it is a member.

In all these activities, OMIClear will 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, and will continue to maintain the high level of requirement as imposed by the EMIR and the subsequent implementing regulation.

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, agreed to propose that the net results for 2020, in the amount of €204 573,07 (two hundred and four thousand, five hundred and seventy-three euro and seven cents), be appropriated as follows:

To legal reserves	€20,457.31
To retained earnings.....	€84,115.76
To distribution of dividends.....	€100,000.00

Lisbon, 17 March 2021

The Board of Directors

Carmen Becerril Martínez

Antonio Erias Rey

Gonzalo Solana González

José Manuel Amado da Silva

Mónica Guardado Rodríguez

10

FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020 AND 2019

Balance sheet as at 31 December 2020 and 2019

		Currency: Euros	
	Note	31-12-2020	31-12-2019
Assets			
Non-current			
Property, plant and equipment	7	13 793	16 256
Intangible assets	8	144 894	138 215
Other financial investments	9	11 118	8 864
Deferred tax assets	10	115 153	123 875
Other accounts receivable	11	218 744	
		503 702	287 210
Current			
Clients	12	168 490	222 183
State and other public entities	13	581 863	1 958
Other accounts receivable	11	341 368	268 577
Deferrals	14	20 467	42 582
Other financial assets	15	209 336 113	205 439 657
Cash and bank deposits	5	11 035 211	11 201 512
		221 483 512	217 176 469
Total assets		221 987 215	217 463 679
Equity capital			
Paid-up capital	16	7 500 000	7 500 000
Supplementary payments	17	525 835	525 835
Legal reserve	18	237 407	231 858
SIG.B reserve	18	1 875 000	1 875 000
Other reserves	18	66 895	66 895
Retained earnings		462 485	412 537
		10 667 622	10 612 125
Net result for the period		204 573	55 498
Total equity capital		10 872 195	10 667 623
Liabilities			
Non-current			
Provisions	19	35 000	-
Deferrals	14	218 744	
		253 744	-
Current			
Suppliers	20	69 239	28 355
State and other public entities	12	110 658	117 166
Other accounts payable	21	1 257 029	1 211 074
Deferrals	14	87 504	-
Other financial liabilities	15	209 336 845	205 439 460
		210 861 275	206 796 056
Total liabilities		211 115 019	206 796 056
Total equity capital and liabilities		221 987 215	217 463 679

Notes on pages 42 to 68 form an integral part of the above financial statements.

Statement of profit and loss by nature as at 31 December 2020 and 2019

	Note	31-12-2020	31-12-2019
Sales and services rendered	22	3 173 737	2 011 589
Supplies and external services	23	(664 811)	(573 782)
Staff costs	24	(1 178 839)	(1 060 258)
Impairment losses	11	(24 638)	-
Provisions	20	(35 000)	-
Other income	25	350 233	582 768
Other expenses	26	(1 131 935)	(590 985)
Results before depreciation, financial expenses and taxes		488 747	369 332
(Expenses)/reversal depreciation and amortisation	7 & 8	(164 475)	(271 873)
Operational result (before financial expenses and taxes)		324 272	97 459
Interest and similar income obtained	27	2 268	-
Interest and similar costs incurred	27	(56 058)	(21 246)
Pre-tax results		270 482	76 213
Income tax for the period	28	(65 909)	(20 715)
Net result for the period		204 573	55 498
Basic earnings per share:		0,27	0,07

Notes on pages 42 to 68 form an integral part of the above financial statements.

Statement of changes in equity in 2020 and 2019

	Note	Paid-up capital	Supplementary payments	Legal reserves	SIG.B res reserve	Other reserves	Retained earnings	Net result for the period	Total	
On 1 January 2019		7 500 000	-	525 835	231 858	1 875 000	66 895	656 632	(244 095)	10 612 12
Changes in the period										
Other changes recognised in equity capital		-		-	-	-	(244 095)	244 095		
		-	-	-	-	-	(244 095)	244 095		
Net result for the period		-	-	-	-	-	-	55 498	55 4	
Integral result		-	-	-	-	-	-	55 498	55 4	
Operations with equity holders in the period										
Distributions		-	-	-	-	-	-	-		
Other changes		-	-	-	-	-	-	-		
		-	-	-	-	-	-	-		
On 31 December 2019		7 500 000	-	525 835	231 858	1 875 000	66 895	412 537	55 498	10 667 62
Changes in the period										
Other changes recognised in equity capital	18	-		5 550	-	-	49 948	(55 498)		
		-	-	5 550	-	-	49 948	(55 498)		
Net result for the period		-	-	-	-	-	-	204 573	204 5	
Integral result		-	-	-	-	-	-	204 573	204 5	
Operations with equity holders in the period										
Other changes		-	-	-	-	-	-	-		
		-	-	-	-	-	-	-		
On 31 December 2020		7 500 000	525 835	237 407	1 875 000	66 895	462 485	204 573	10 872 19	

Notes on pages 42 to 68 form an integral part of the above financial statements.

Statement of cash flow as at 31 December 2020 and 2019

	Note	31-12-2020	31-12-2019
Cash flow of operating activities			
Receivables from clients		70 780 622	133 382 177
Payments to suppliers		(68 610 418)	(130 613 630)
Payments to staff		(1 166 502)	(1 005 749)
Cash flow generated by operations		1 003 703	1 762 799
(Payment) / refund of income tax		(23 419)	(6 609)
Other (payments) / receipts		(1 152 367)	(617 465)
Cash flow of operating activities		(172 085)	1 138 725
Cash flow of investment activities			
Payments regarding:			
Property, plant and equipment		(4 120)	(2 628)
Intangible fixed assets		(193 596)	
Dividends		-	-
Receipts from:			
Interest and similar income obtained		203 644	472 434
Cash flow of investment activities		5 928	469 807
Cash flow of financial activities			
Payments regarding:			
Interest and similar expenses		(144)	(1 438)
Cash flow of financial activities		(144)	(1 438)
Changes in cash flow and its equivalents		(166 301)	1 607 093
Cash and cash equivalents at the start of the period	5	11 201 512	9 594 419
Cash and cash equivalents at the end of the period	5	11 035 211	11 201 512

The headings “Receivables from clients” and “Payments to suppliers”, on 31 December 2020 and 2019 include the transactions of “Deposits of Guarantees to be Paid” and “Deposits of Guarantees to be Received” which total.

Strengthening collateral amounted to €47,557,924.49 and release of collateral amounted to €43,688,980.92. As the former was greater than the latter, the balance is positive by €3,868,943.57

Notes on pages 42 to 68 form an integral part of the above financial statements.

ANNEX TO THE FINANCIAL STATEMENTS

1 Description of the company and reporting period

OMIClear – C.C., S.A., whose previous name was OMIClear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C.C., S.A, with its registered office at Avenida Casal Ribeiro, n.º 14 – 8.º piso, in Lisbon, was incorporated under Article 488(1) of the *Código das Sociedades Comerciais* (Commercial Companies Code) and had its public deed signed on 6 April 2004.

The company began its activity on 7 April 2004, its purpose being the management of a clearing house and of a settlement system and of a settlement system, as well as playing the role of central counterpart in spot and futures market operations, namely futures, forwards, swaps and options, whose underlying assets are electricity, other energy-related commodities or equivalents, real or notional, electricity indices of energy-based products or other equivalent assets, regardless of whether settlement is by delivery or merely financial.

The company may also engage in activities that are subsidiary or accessory to its main purpose, provided that these do not constitute an intermediary financial activity, namely:

- (i) Managing systems of book-entry accounts and calculation of net positions;
- (ii) Providing members of the systems under its management with the services which are required for the intervention of such members in markets or systems managed by a foreign similar entity in another country;
- (iii) Providing consultancy services related to the systems under its management;
- (iv) Participation in research studies, preparation, distribution and commercialisation of market-related information;
- (v) Development, management and marketing of computer hardware and software, as well as data transmission networks for the contracting and transmission of orders and/or data.

The company may also participate in other companies with similar or complementary corporate purpose, even if governed by special laws, as well as in complementary groups of companies.

OMIClear has a share capital of €7,500,000, represented by 750,000 shares each with a nominal value of €10, which on 31 December 2020 were 50 % owned by OMIP – Pólo Português, S.G.M.R., S.A., and 50 % by the lawfully registered Spanish company OMI – Polo Español, S.A. (OMIE)..

The entry of OMIE into the shareholding structure in September 2013 was possible after it agreed to a capital increase, fully paid up by this company, in the amount of €6,200,000, of which €3,000,000 were allocated to share capital and the remaining €3,200,000 to share premiums.

The share premiums were later used as follows: €1,500,000 in a capital increase and the remaining €1,700,000 to set up a reserve (SIG B) provided for in Article 35 of the Commission Delegated Regulation (EU) No 153/2013, of 19 December 2012, supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council concerning the technical standards for the regulation applicable to central counterpart requirements.

On 22 November 2010 OMIClear opened its Spanish branch with tax identification number W0106378C under the name “OMIClear – Sociedade de Compensação de Mercados de Energia, Sociedade Gestora de Câmara de Compensação com assunção de Contraparte Central (SGCCCC), S.A., Sucursal en España”, with registered office at Calle Ribera de Loira, 46, 28046 Madrid, Spain.

The activities described below constitute the main business objectives of the Spanish branch, which are partially similar to the corporate objectives of its parent company:

- (i) The management of a clearing house and a settlement system, as well as playing the role of central counterpart in spot and futures market operations, namely futures, forwards, swaps and options, whose underlying assets are electricity, other energy-related commodities or equivalents, real or notional, electricity indices of energy-based products or other equivalent assets, regardless of whether settlement is by delivery or merely financial;
- (ii) Engage in activities that are subsidiary or accessory to its main objective, provided that these are not a financial intermediation activity, in particular: a) manage book-entry account systems and calculation of net positions; b) provide members of the systems under its management services which are required for the intervention of such members in markets or systems managed by a foreign similar entity in another country, c) provide consultancy services related to the systems under its management; d) participate in research studies, preparation, distribution and commercialisation of market-related information, and e) develop, manage and market computer hardware and software, as well as data transmission networks for the contracting and transmission of orders and/or data;
- (iii) The branch may also participate in other companies with similar or complementary corporate purpose, even if governed by special laws, as well as in complementary groups of companies;
- (iv) The branch may grant loans and other forms of lending and provide supplementary benefits to subsidiary companies.

The initial cash assets of the branch totalled €5,000, which were transferred by OMIClear to a bank account opened in the name of the branch at a credit institution domiciled in Spain. The branch may exist for an indefinite period of time, but may not go beyond the duration of OMIClear.

As of 16 October 2019, OMIClear offers an integrated REMIT reporting service that covers the different reporting obligations. In particular, it offers the following three REMIT reporting services:

- (i) Reporting of orders cancelled and not cancelled in the daily and intraday Iberian market managed by OMIE.
- (ii) Reporting of orders cancelled and not cancelled in futures market of the Iberian market managed by OMIP, SGMR.
- (iii) Reporting of non-standard electricity and natural gas contracts and of fundamental data.

In order to offer this REMIT reporting service in an integrated manner, OMIClear has set up an ACER *Registered Reporting Mechanism* (RRM) called OMI RRM.

This new RRM (OMI RRM) builds on both the previous experience of the two RRM belonging to the previously constituted group (RRM OMIE and RRM OMIP), and on the vast experience and resources of OMIE and OMIP as organised regulated markets.

These financial statements were approved by the Board of Directors on 17 March 2021 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 OMIClear, as well as its financial position, 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 2020.

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 OMIClear, 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 4.20 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 SNC provisions (Accounting Standardisation System)

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 significant accounting policies used to prepare the financial statements are described below. Unless otherwise stated, these policies have consistently been applied to all topics presented.

4.1. Currency translation

(ii) FUNCTIONAL AND PRESENTATION CURRENCY

Unless otherwise stated, the financial statements of OMIClear and the notes to this annex are presented in EUR.

(iii) 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.

(iii) EXCHANGE RATES USED

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

<u>Currency</u>	<u>2020</u>	<u>2019</u>
USD	1,2271	1,1234
GBP	0,8990	0,8508

4.2. 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 commissioning.

Subsequent costs incurred with renovations and major repairs that increase the useful life of assets are recognised in the cost of the asset.

Current cost 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.

	<u>Years</u>
Vehicles	Between 4 and 6 years
Office equipment	Between 3 and 10 years
Other property, plant and 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.

4.3. Intangible fixed assets

Intangible fixed assets are stated and measured at purchase price, including costs directly attributable to their acquisition and those incurred in preparing the assets for their commissioning.

The company recognises as intangible assets the amounts spent with software purchased from third parties, which are valued after initial recognition according to the cost model, as provided for by NCRF 6 – Intangible assets, which defines that an intangible asset should be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets with a defined lifespan are amortised on a systematic basis from the date on which they are available for use, over their estimated lifespan. The software is being amortised over a period of 4.5 years.

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.

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.

Accounts receivable are classified on the balance sheet as “Other accounts receivable”. 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 OMIClear’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.

In July 2020 a four-year lease contract was signed for the integrated collateral manager platform. The amounts were separated in the balance sheet into current and non-current, according to the amounts to be received in 2021 and in subsequent years.

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, bank guarantees and overdrafts. The latter are presented in the Balance Sheet under current or not current liabilities depending on whether they are short term or medium long term, 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

As rubricas de Fornecedores e Outras dívidas a pagar constituem obrigações de pagar pela aquisição de 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 they are first recorded, in accordance with NCRF 27 – Financial instruments.

Financial liabilities may be recorded / measured:

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

OMIClear 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 the estimated future cash payments throughout the expected lifespan of the financial instrument.

Financial liabilities which result from financing 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 amortized 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.

Payments on account and special payments on account were recorded in the company accounts and will be deducted from tax payable.

Deferred tax is recorded using the liability method, which is based on the balance sheet and takes into account temporary differences arising from the difference between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred taxes are calculated according to the tax rates in force or officially announced at the balance sheet date, and which are expected to be applicable on the effective date of deferred tax assets, or on the date when the deferred tax liabilities are paid.

Deferred tax assets are recorded to the extent that it is likely that future taxable profits will be available to cover the temporary difference. Deferred tax liabilities are recorded for all temporary taxable differences, except for those relating to: (i) the initial recognition of goodwill; or (ii) the initial recording of assets and liabilities that do not result from a concentration of activities, and that, at the time of transaction, will affect neither the accounting nor the tax results. However, in relation to temporary taxable differences related to investments in subsidiaries, these must not be recorded because: (i) the parent company is able to control the timing for reversal of the temporary difference; and (ii) it is likely that the temporary difference will not be reversed in the near future.

4.12. Provisions, contingent liabilities and contingent assets

Provisions are recorded when OMIClear 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, OMIClear discloses it as a contingent liability, unless the evaluation of the enforceability of the outflow of funds for the payment thereof is considered remote.

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 the possibility of an outflow of funds embodying economic benefits is not remote.

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 OMIClear 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 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 the company 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 OMIClear'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 stating 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 OMIClear; 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 to the continuing provision of service.

4.16 Novation of transactions

OMIClear acts as central counterparty for all the transactions carried out on the MIBEL derivatives market and traded OTC and submitted to it for registration. OMIClear carries out the necessary procedures for the transactions to be duly cleared and settled, namely:

- (i) Admission of participants in the registration, clearing and settlement of transactions;
- (ii) Support in the registration of transactions and their clearing and settlement;
- (iii) Taking the position of central counterparty in registered transactions;
- (iv) Defining the calculation formula and, consequently, the calculation and management of guarantees to be provided by participants for the registration of transactions;
- (v) Monitoring the risk assumed by the holders of the registered positions.

By taking on the role of central counterparty, OMIClear ensures compliance of both parties' obligations. If a transaction is registered, OMIClear manages the positions resulting therefrom, being the buyer of the seller, and the seller of the buyer.

Derivatives are calculated at fair value at the transaction date, which is zero. Changes in the fair value of derivatives after the transaction date are adjusted daily through deposits, making their fair value again zero. Guarantee deposits received and liabilities to participants are posted in the balance sheet separately (see note 14).

4.17 Restricted deposits

OMIClear receives cash deposits from participants to guarantee that transactions in which it acts as a central counterparty are met. These cash deposits are deposited in distinct bank accounts, albeit held by the company. However, the use of these sums is restricted and can only be used when a participant enters into default.

Restricted deposits are booked as assets as well as the corresponding participant's liability. They are repaid when the participant no longer operates as a market participant.

4.18. Distribution of dividends

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

4.19. 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*).

The balance of "Deferrals" refers to the finance lease contract signed in July 2020 with OMIP SA. The duration of this contract is for four years and the income will be recognised monthly in the same period.

4.20. Significant accounting estimates and assumptions presented

Estimates and assumptions with impact on OMIClear'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 the following:

RELEVANT ACCOUNTING ESTIMATES

4.10.1. PROVISIONS

OMIClear 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.

4.20.2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The determination of the lifespan of assets and the depreciation/amortisation method to use is key to determining 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.

4.20.3. IMPAIRMENT

The determination of an eventual impairment loss may be triggered by various events, many of which outside OMIClear'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 OMIClear.

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, lifespan and residual values.

4.20.4. DEFERRED TAX ASSETS

OMIClear has recorded in its accounts the deferred tax assets on the loss for the year. These recorded to the extent that it is likely that sufficient taxable profits will be available in the future to allow such deferred tax assets to be used. The calculation thereof is based on the tax rates in force.

Deferred tax assets are reviewed at the end of each period, and are lowered whenever their future use is no longer probable.

4.21. Events after the balance sheet date

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

5 Cash flows

5.1. Cash and cash equivalents not available for use

OMIClear 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"

As at 31 December 2020 and 31 December 2019, the breakdown of cash and cash equivalents was as follows:

	31-12-2020	31-12-2019
Cash	1 266	1 702
Bank deposits	11 033 945	11 199 810
	11 035 211	11 201 512

The breakdown of the amount considered as final balance under "Cash and cash equivalents" for the purpose of preparing the cash flow statement for the period ending on 31 December 2020 and 31 December 2019 is as follows:

	31-12-2020	31-12-2019
Cash resources		
- Cash	1 266	1 702
	1 266	1 702
Bank deposits		
- Checking accounts	10 876 285	11 041 956
- Savings accounts	157 660	157 854
	11 033 945	11 199 810
	11 035 211	11 201 512

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 OMIClear.

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

As at 31 December 2020, there was a change in the *Sungard* project's estimated lifespan from 6 to 4.5 years. This change affected depreciation expense for the current period and for the remaining lifespan of the asset.

6.4. Prior period errors

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

7 Property, plant and equipment

During the period ending 31 December 2019, the changes recorded under the heading of property, plant and equipment were as follows:

Changes in property, plant and equipment – 2019

	Vehicles	Office equipment	Other property, plant and equipment	Total
1 January 2019				
Acquisition cost	40 192	1 808 303	5 675	1 854 168
Accumulated depreciation	(40 192)	(1 790 949)	(2 771)	(1 833 913)
Net book value	-	17 353	2 904	20 255
Additions	-	2 909	-	2 909
Depreciation for the period	-	(6 633)	(276)	(6 909)
Net book value	-	13 630	2 628	16 255
31 December 2019				
Acquisition cost	40 192	1 811 212	5 675	1 857 077
Accumulated depreciation	(40 192)	(1 797 582)	(3 047)	(1 840 821)
Net book value	-	13 630	2 628	16 256

During the period ending 31 December 2020, the changes recorded under the heading of property, plant and equipment were as follows:

Changes in property, plant and equipment – 2020

	Vehicles	Office equipment	Other property, plant and equipment	Total
1 January 2020				
Acquisition cost	40 192	1 811 212	5 675	1 857 077
Accumulated depreciation	(40 192)	(1 797 582)	(3 047)	(1 840 821)
Net book value	-	13 630	2 628	16 256
Additions	-	4 589	-	4 589
Depreciation for the period	-	(7 030)	(22)	(7 052)
Net book value	-	11 189	2 606	13 793
31 December 2020				
Acquisition cost	40 192	1 815 801	5 675	1 861 666
Accumulated depreciation	(40 192)	(1 804 612)	(3 069)	(1 847 873)
Net book value	-	11 189	2 606	13 793

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

As at 31 December 2020, depreciation of property, plant and equipment amounted to €7,052.

Additions to property, plant and equipment made in the period ending 31 December 2020 relate mainly to office equipment.

8 Intangible fixed assets

During the period ended 31 December 2019, the changes recorded under intangible assets were as follows:

Changes in intangible fixed assets – 2019

	Development projects	Computer programmes	Other intangible assets	Total
1 January 2019				
Acquisition cost	23 210	23 777	786 447	833 434
Accumulated depreciation	(13 481)	(11 150)	(405 624)	(430 255)
Net book value	9 729 -	12 627 -	380 823	403 179
Additions	-	-	-	-
Depreciation - disposals	(5 803)	(6 883)	(252 278)	(264 964)
Net book value	3 926	5 744	128 545	138 215
31 December 2019				
Acquisition cost	23 210	23 777	786 447	833 434
Accumulated depreciation	(19 283)	(18 033)	(657 902)	(695 218)
Net book value	3 926	5 744	128 545	138 215

During the period ended 31 December 2020, the changes recorded under intangible assets were as follows:

Changes in property, plant and equipment – 2020

	Development projects	Computer programmes	Other intangible assets	Total
1 January 2020				
Acquisition cost	23 210	23 777	786 447	833 434
Accumulated depreciation	(19 283)	(18 033)	(657 902)	(695 218)
Net book value	3 926	5 744	128 545	138 215
Additions	164 099	-	-	164 099
Depreciation for the period	(24 439)	(5 425)	(127 557)	(157 423)
Net book value	143 586	319	988	144 894
31 December 2020				
Acquisition cost	187 309	23 777	786 447	997 533
Accumulated depreciation	(43 722)	(23 458)	(785 459)	(852 640)
Net book value	143 587	319	988	144 894

The asset under intangible assets relates to the Sungard project and the integrated collateral manager.

As mentioned in Note 6.3, the estimated lifespan of this asset has changed, leading to a decrease in its lifespan from 6 to 4.5 years.

In accordance with NCRF 4, the effect of this change resulted in an increased depreciation expense in the current period.

The addition of development projects is related to the development of the integrated collateral manager platform, which will be amortised over 4 years.

As at 31 December 2020, the depreciation of intangible fixed assets amounted to €157,423.

9 Other financial investments

As at 31 December 2020 and 31 December 2019, the amount of other investments refers to the monthly contributions made by the company to the Labour Compensation Fund (FCT – *Fundo de Compensação do Trabalho*), under Law 70/2013.

10 Deferred taxes

The Company records deferred taxes resulting from temporary differences between asset and liability amounts for accounting and tax purposes.

As at 31 December 2017 and 31 December 2018 the Company recognised deferred tax assets associated with the tax loss for the year, in the amount of €64,302 and €65,898, respectively, which can be deducted from the tax to be paid over a period of 7 years. As at December 2020, the amount of €15,003.47 was used.

	<u>Tax losses</u>
As at 1 January 2019	123 875
Period ended 31 December	
Used through results	(15 003)
Deferred taxes - branch	6 280
	<u>(8 722)</u>
Change in the period	(8 722)
As at 31 December 2020	115 153

As at 31 December 2020 and 2019, no situations generated deferred tax assets.

11 Other receivables

As at 31 December 2020 and 31 December 2019, the heading “Other Receivables” is broken down as follows:

	31-12-2020			31-12-2019		
	Current	Non-current	Total	Current	Non-current	Total
Advance payments	-	-	-	97	-	97
Other debtors						
OMIP SGMR (Note 33)	-	-	-	39 527	-	39 527
OMIP SGPS (Note 33)	4 212	-	4 212	6 319	-	6 319
OMIP SA (Note 33)	87 504	218 744	306 248	-	-	-
Enagás (guarantee)	175 000	-	175 000	150 000	-	150 000
MIBGÁS (guarantee)	21 000	-	21 000	20 000	-	20 000
Other	84	-	84	560	-	560
Accrued income						
Interest receivable	-	-	-	82	-	82
Other	53 568	-	53 568	51 992	-	51 992
	341 368	218 744	560 112	268 577	-	268 577
Impairment	-	-	-	-	-	-
	341 368	218 744	560 112	268 577	-	268 577

In October 2019, the member's guarantees ceased to be applied to the banks, so OMIClear no longer benefits from that interest.

OMIP, SA's debt is related to an existing contract between this company and OMIClear regarding the sale of the integrated collateral manager platform for a period of 4 years.

The heading “Other” is broken down as follows:

	31-12-2020	31-12-2019
ECC - Q4-2020	50 862	51 992
Interest receivable	2 268	-
Other	438	-
	53 568	51 992

The amounts referring to ECC refers to the cooperation agreement between ECC and OMIClear, according to which the former pays a commission for each deal done with products traded in the Portuguese stock exchange.

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

12 Clients

In the periods ended 31 December 2020 and 31 December 2019, the heading “Clients” was broken down as follows:

	31-12-2020			31-12-2019		
	Current	Non-current	Total	Current	Non-current	Total
Clients – Related parties (Note 33)	20 600	-	20 600	20 600	-	20 600
Clients – Third parties	28	-	28	4 059	-	4 059
Clients – Branch – Related parties (Note 33)	-	-	-	50 699	-	50 699
Third party clients – Branch	172 500	-	172 500	146 825	-	146 825
	193 128		193 128	222 183		222 183
Impairment	(24 638)	-	(24 638)	-	-	-
	168 490	-	168 490	222 183	-	222 183

The debt of the branch's third party clients is due to the start of the REMIT service in December 2020. Most of this amount is settled through a clearing member, so the amount is transferred to OMIClear, branch, in the following month.

During these periods, there were no differences between book value and their fair value. As at 31 December 2020, the map containing the seniority of balances of related parties is as follows:

STATEMENT OF THE BALANCE SENIORITY OF OMICLEAR

Client's name	Trial balance as at 31-12-2019	Due date	Months in arrears	Up to 6 months	6 to 12 months	12 to 18 months	18 to 24 months	>24 months
Omi, Pólo Espanhol, S.A.	20 600	31/01/2020	0,00	-	20 600	-	-	-
				-	20 600			

13 State and other public entities

In the periods ended 31 December 2020 and 31 December 2019, the balances of the heading "State and other public entities" are as follows:

	31-12-2020		31-12-2019	
	Debtor	Creditor	Debtor	Creditor
Corporate tax - IRC	577	-	-	876
Corporate tax - IRC- Branch	-	41 649	-	8 518
Income tax - IRS	-	15 132	-	11 360
Income tax - IRS – Branch	-	1 205	-	1 135
Value added tax - VAT	581 286	-	-	10 611
Value added tax- VAT - Branch	-	35 866	-	71 676
Value added tax – Other markets	-	-	1 958	-
Contributions to Social Security	-	14 736	-	12 110
Contributions to Social Security - Branch	-	2 070	-	880
	581 863	110 658	1 958	117 166

Value added tax as at 31 December 2020 is to be recovered due to gas invoicing. This occurs when the purchase is made from a Portuguese company.

Corporate income tax income (IRC) for the reported periods is broken down as follows:

	31-12-2020	31-12-2019
Payments on account	8 578	3 875
Payments on account	1 386	-
Payments on account - Branch	-	533
Withholding tax - Branch	2 250	-
Withholding tax	414	589
Corporate tax estimate	(9 801)	(5 340)
Corporate tax estimate - Branch	(43 899)	(9 051)
	(41 072)	(9 394)

The amounts referring to ECC refers to the cooperation agreement between ECC and OMIClear, according to which the former pays a commission for each deal done with products traded in the Portuguese stock exchange.

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

14 Deferrals

As at 31 December 2020 and 31 December 2019, OMIClear recorded the following balances under the heading "Deferrals":

Deferred costs

	31-12-2020	31-12-2019
Insurance	5 079	4 110
Rents	3 335	3 318
Other	12 053	35 154
	20 467	42 582

Deferred liabilities

	31-12-2020			31-12-2019
	Current	Non-current	Total	Total
Other	87 504	218 744	306 248	-
	87 504	218 744	306 248	-

Deferred liabilities refer to the value of the lease contract of the GIG Platform, starting on 01 July 2020 for a duration of 4 years.

15 Other financial assets and liabilities

Cash collateral is recorded under the headings of assets and liabilities.

As at 31 December 2020 and 31 December 2019, the amounts recognised in the balance sheet are as follows:

	31-12-2020	31-12-2019
Guarantee deposits of participants	209 336 113	205 439 657
Amounts to be paid to participants	(209 336 845)	(205 439 460)
	(732)	197

The difference between the guarantees payable to the members and the guarantee deposit in 2020 and 2019 refers to interest relating to a bank entity, which are only received every quarter.

16 Share capital

As at 31 December 2020 and 31 December 2019, OMIClear's share capital of €7,500,000 was fully subscribed and paid for, and represented by 750,000 shares, each with a par value of €10.

The breakdown for share capital as at 31 December 2019 and 31 December 2019 is as follows:

	%	Share	Capital
OMIP SGMR, SA		50.00%	3,750,000
OMIE		50.00%	3,750,000
		100.00%	7,500,000

17 Supplementary payments

In December 2017, the shareholders agreed to increase the Company's equity through supplementary payments.

These payments resulted from the conversion of all remaining loan credits (excluding interest), of an equal amount, contributed by the shareholders to the Company under the loan contracts concluded in December 2015, in the overall amount of €525,835 (five hundred and twenty-five thousand, eight hundred and thirty-five euros).

18 Legal reserves and other reserves

"Legal reserves" and "Other reserves" recorded the following changes during the periods ended 31 December 2020 and 31 December 2019:

	Percentage holding	Capital
OMIP SGMR, SA	50.00%	3,750,000
OMIE	50.00%	3,750,000
	100.00%	7,500,000

Pursuant to the law in force, at least 10 % of the net annual income must be appropriated to increase the legal reserve until it represents 20 % of capital. This reserve cannot be distributed unless the company is liquidated, and can only be used to cover losses after other reserves are used, or added to capital.

In 2020, the negative net profit of 2019 was transferred top retained earnings and legal reserves.

Under the law in force, the SIG.B reserve in the amount of €1,875,000 constitutes OMIClear's own resources to be used in the event of a cascade due to a default.

19 Suppliers

During the periods ended 31 December 2020 and 31 December 2019, the breakdown of the heading including all current "Suppliers" is as follows:

	31-12-2020	31-12-2019
Suppliers	69 239	28 355
	69 239	28 355

20 Provisions

As at 31 December 2020 and 31 December 2019, the breakdown of "Provisions" is as follows:

	2020	2019
As at 1 January 2020	-	-
Strengthened in the period	35 000	-
Use	-	-
As at 31 December 2020	35 000	-

This provision was constituted due to the uncertainty of the amounts that OMIClear will receive from the regulated company OMIP, SA. The company has developed for the latter the Integrated Collateral Manager Platform.

21 Other accounts payable

As at 31 December 2020 and 2019, the heading "Other accounts payable" was broken down as follows:

	31-12-2020			31-12-2019		
	Current	Non-current	Total	Current	Non-current	Total
Other creditors						
OMIP SGPS (Note 33)	-	-	-	18 068	-	18 068
OMIP SGMR (Note 33)	170 258	-	170 258	573 957	-	573 957
OMIE (Note 33)	554 583	-	554 583	-	-	-
Interest payable	4 277	-	4 277	-	-	-
Other	26 632	-	26 632	27 997	-	27 997
	755 750	-	755 750	620 022	-	620 022
Creditors due to accrued expenses						
Holidays and holiday bonuses	29 711	-	29 711	30 616	-	30 616
Other staff costs	54 019	-	54 019	54 095	-	54 095
Productivity bonuses	194 238	-	194 238	222 625	-	222 625
Remuneration paid to members of governing bodies	31 300	-	31 300	21 000	-	21 000
Other – Branch	92 771	-	92 771	180 718	-	180 718
Other	99 240	-	99 240	81 998	-	81 998
	501 279	-	501 279	591 052	-	591 052
	1 257 029	-	1 257 029	1 211 074	-	1 211 074

The amount owed to OMIE refers to the costs with Remit in 2020. These amounts were settled early in the following year. The item "Other" refers to:

	31-12-2020	31-12-2019
- Services provided by market makers	50493	27113
- Services provided by IOBS	23901	21246
- CMVM	3000	1500
- ONI	3142	2946
- EY	3000	-
- Premium Minds	13220	26160
- Condominium	640	640
- Viagens El Corte Inglés	1657	875
- Other	187	1518
	99 240	81 998

The item "Other" – Branch refers to:

	31-12-2020	31-12-2019
- REMIT services - OMIE	91 667	137 499
- REMIT services - OMIP	-	64 710
- Javali	1 104	(21 491)
	92 771	180 718

22 Services provided

Services provided and recognised in the statement of profit and loss are broken down as follows:

	31-12-2020	31-12-2019
RRM (Remitt)	1 389 164	366 990
Market fees	1 014 253	1 181 595
Integrated Collateral Manager	512 371	-
ECC agreement	189 399	150 854
EMIR Reporting	43 600	35 600
Training	24 950	27 250
Services rendered – Natural Gas	-	249 300
	3 173 737	2 011 589

As previously mentioned, from 16 October 2019 OMIClear started the integrated REMIT reporting service, which entails different reporting obligations. The positive difference in this item is due to the increase in this service, i.e. in 2019 this service was operational only for there 3 months of service, while in 2020 there were 12 months of service.

Here we also highlight the role of the integrated collateral manager, who contributed to the good financial performance of the company.

23 Supplies and external services

The breakdown of the costs incurred with supplies and external services is as follows:

	31-12-2020	31-12-2019
Specialised works	487 927	379 884
Travel and accommodation	32 586	63 856
Rentals and leases	48 008	47 855
Insurance	14 725	15 678
Entertainment expenses	13 522	16 691
Fees	15 599	14 392
Accounting and human resources - Branch	26 146	8 123
Banking fees and services	9 478	9 135
Cleaning, hygiene and comfort	7 149	5 355
Electricity	2 166	4 246
Other (each under €5,000)	7 505	8 567
	664 811	573 782

The most relevant items 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 OMIClear.

The increase in the heading specialised works is due to: (i) Maintenance of the GiG platform; (ii) legal services; (iii) audits; (iv) accounting services of the OMIClear branch.

24 Staff costs

Staff costs incurred during the periods ended 31 December 2020 and 2019 were as follows:

	31-12-2020	31-12-2019
Remunerations		
Governing bodies	393 930	318 338
Staff	560 533	536 668
Staff - Branch	36 676	29 750
	991 139	884 756
Social charges	174 882	165 525
Other	12 818	9 977
	187 700	175 502
	1 178 839	1 060 258

In 2020, the average number of OMIClear staff was 12 (2019: 11).

25 Other income and gains

The heading "Other income and gains" is as follows:

	31-12-2020	31-12-2019
Guarantees	244 189	476 506
Management fees (Note 33)	105 892	105 892
Other	152	370
	350 233	582 768

"Income from guarantees" refers to operating income and relates to capital income received for the management of guarantees deposited with OMIClear. As from October 2019, interest was replaced with custody fees.

The heading "Management fees" includes debit amounts charged by OMIClear for the work of OMIClear employees in OMIP management tasks.

26 Other expenses and losses

The breakdown of "Other expenses and losses" is as follows:

	31-12-2020	31-12-2019
Services provided by group companies (Note 33)	195 000	212 304
RRM (Remitt)	750 020	202 209
Costs with market operations	155 584	152 610
Contributions/levies	23 000	19 852
Donations	1 503	-
Taxes	5 102	1 934
Corrections of previous years' balances	-	150
Other	1 726	1 926

Expenses recognised as market operations as at December 2020 and 2019 resulted from fixed commissions charged by Market Makers and IOBs, and also by the CMVM Regulator.

Costs concerning REMIT represent the fees paid to OMIP and OMIE, as resources from these two companies are used in this service.

27 Financial expenditure

The breakdown of "Financial expenditure" for the years 2020 and 2019 is as follows:

	31-12-2020	31-12-2019
Interest and similar income obtained		
Other interest and similar income	2 268	-
	2 268	-
Interest and similar charges		
Interest paid	56 058	21 246
	56 058	21 246
	56 058	21 246

28 Income tax

As at 31 December 2020 and 31 December 2019, the heading "Income tax" is as follows:

	31-12-2020	31-12-2019
Current income tax	50 906	14 391
Deferred income tax	15 003	6 325
	65 909	20 715

28.1. Deferred taxes

As at 31 December 2020, no deferred tax asset was recognised. However, the total deferred tax of previous years amounts to €130,200. Also in this period, tax losses were used in the year in the amount of €15,003.47.

As at 31 December, there are no deferred tax liabilities.

28.2. Reconciliation of tax rate

The reconciliation of the effective tax rate for the periods ended 31 December 2020 and 2019 is shown below:

	31-12-2020		31-12-2019	
Pre-tax result	15 000	255 482	15 000	61 213
Tax rate	17,0%	21,0%	17,0%	21,0%
	2 550	16 855	2 550	12 855
	19 405		15 405	
Non-deductible expenses	3 415		136	
Non-taxable income	(2 415)		(241)	
Surcharge	1 429		-	
Autonomous taxation	2 971		2 690	
Impact of branch tax	41 105		9 051	
Deferred tax asset	15 003		-	
Deduction of income tax loss	(15 003)		(6 325)	
	65 909		20 715	
Current income tax	9 801		5 340	
Impact of branch tax	41 105		9 051	
Deferred tax asset	15 003		6 325	
Income tax	65 909		20 715	
Effective tax rate	24,37%		27,18%	

The tax rate used for determining the amount of tax in the financial statements is as follows:

	31-12-2020	31-12-2019
Tax rate up to €15.000	17,00%	17,00%
Tax rate for remaining value	21,00%	21,00%
Surcharge	1,50%	1,50%
	20,50%	20,50%

29 Dividends

As in 31 December 2019, OMIClear did not pay dividends during the period ended 31 December 2020.

30 Commitments

As at 31 December 2020 and 31 December 2019, there were no other commitments undertaken by the company and not reflected in the financial statements.

30 Contingencies

CONTINGENT LIABILITIES

As at 31 December 2020 and 31 December 2019, OMIClear did not record any contingent liabilities.

CONTINGENT ASSETS

As at 31 December 2020 and 31 December 2019, OMIClear did not record any contingent assets.

32 Information required by law

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

33 Related companies

As at 31 December 2020 and 2017, OMIClear was 50 % owned by OMIP – Polo Português, S.G.M.R., S.A. and 50 % by OMI – Polo Español, S.A. (OMIE).

NATURE OF THE RELATIONSHIP WITH THE RELATED COMPANIES:

Shareholders:

- OMIP – Polo Português, SGMR, SA
- OMI – Polo Español, SA (OMIE)

Other related companies:

- OMIP – Operador do Mercado Ibérico (Portugal), SGPS, SA
- OMEL – Operador del Mercado Ibérico de Energia, Polo Español, SA
- REN – Redes Energéticas Nacionais, SA.
- REN – Serviços, SA.
- Caixa Geral de Depósitos
- Banco Comercial Português, SA

33.1. Transactions with shareholders:

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

	31-12-2020	31-12-2019
Services provided		
OMIE (Note 22)	-	249 300
OMIP SGMR (Note 22)	85 344	85 344
	85 344	334 644
	31-12-2020	31-12-2019
Services acquired		
OMIP SGMR (Note 26)	195 000	212 304
OMIE (Note 26)	554 583	-
	749 583	212 304

33.2. Debit and credit balances with shareholders

For the periods ended 31 December 2020 and 31 December 2019, the balances resulting from transactions made with the shareholders are as follows:

	31-12-2020	31-12-2019
Clients		
OMIE (Note 11)	20 600	71 299
	20 600	71 299
Other accounts receivable		
OMIP SGMR (Note 13)	-	39 527
	-	39 527
Other accounts payable		
OMIP SGMR (Note 21)	170 258	573 957
	170 258	573 957

33.3. Transactions with other related parties:

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

	31-12-2020	31-12-2019
Services provided		
OMIP SGPS (Note 25)	20 548	20 548
OMIP, SA (Note 22)	512 371	-
	532 919	20 548

33.4. Debit and credit balances with other related parties:

As at 31 December 2020 and 31 December 2019, the balances resulting from transactions made with other related parties are as follows:

	31-12-2020	31-12-2019
Other accounts receivable		
OMIP SGPS (Note 11)	4 212	6 319
OMIP, SA (Note 11)	306 248	-
	310 460	6 319
Other accounts payable		
OMIP SGPS (Note 21)	-	18 068
	-	18 068

33.5. Management remunerations

During the periods ended 31 December 2020 and 2017, the remunerations earned by the members of OMIClear's Board of Directors were as follows:

	31-12-2020	31-12-2019
Remunerations	121 748	121 748
Gratuities and bonuses	50 463	48 517
	172 212	170 265

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.

34 Proposed 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 2020, in the amount of €204,573.07 (two hundred and four thousand, five hundred and seventy-three euro and seven cents), be appropriated as follows:

To legal reserve	€20,457.31
To retained earnings.....	€84,115.76
To distribution of dividends.....	€100,000.00

Lisbon, 17 March 2021

The Board of Directors

Carmen Becerril Martínez

Antonio Erias Rey

Gonzalo Solana González

José Manuel Amado da Silva

Mónica Guardado Rodríguez

The Certified Accountant

Manuela Lopes dos Santos

Certified Accountant, Licence no. 85946

11

ANNEXES

STATUTORY AUDITOR'S REPORT

01/02



**Ernst & Young
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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 OMIClear - C.C., S.A. (the Entity), which comprise the Balance Sheet as at 31 December 2020 (showing a total of 221.987.215 euros and a total equity of 10.872.195 euros, including a net profit for the year of 204.573 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 OMIClear - C.C., S.A. as at 31 December 2020, 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.

Sociedade Anónima - Capital Social 1.335.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número - Sede: Av. da República, 90 - 6.º - 1600-206 Lisboa
A member firm of Ernst & Young Global Limited

02/02



OMIClear - C.C., S.A.
Statutory Auditor's Report
31 December 2020

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, 21 April 2021

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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