AMORIM

CORTICEIRA AMORIM CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2022

First semester 2022 (1H22) (Audited)
Second quarter 2022 (2Q22) (Non audited)

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

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

CONSOLIDATED MANAGEMENT REPORT

1. SUMMARY OF ACTIVITY

The outlook for the world economy at the beginning of 2022 was one of optimism based on the positive impact of measures to contain the pandemic and the gradual normalisation of global imbalances, particularly in regard to supply chains. During the first six months, however, several challenges arose. The first was the aftermath of Russia's invasion of Ukraine. This was followed by the impact of the restrictive measures implemented by the Chinese authorities in response to new outbreaks of Covid-19. At the same time, production and consumption prices continued to rise month after month, delaying the expected turnaround in the overall economic trend. Global supply chains were affected by persistent difficulties. Europe suffered an energy crisis, while emerging economies, especially those of the more fragile countries in Africa and Asia, were beset by food shortages. Higher interest rates, the prospect of increased monetary tightening, less favourable financial conditions, the depreciation of risky assets, increased volatility and risk aversion characterised financial markets. The US dollar became the preferred safe haven currency.

The US economy will have registered in the second quarter, registering a continuous six months of negative economic growth. A reduction in residential construction, a fall in business stocks and a decrease in goods consumption appear to have been the underlying causes of this drop, which contrasted with the increase in imports at the beginning of the year.

The Euro Zone will have registered a growth of 0.7% in chain, above expectations, and of 4.0% compared to the same period between April and June. The positive evolution may have resulted from the lack of definition after restrictions related to the fight against COVID-19, with the services sector showing a clear recovery, especially the hospitality segment, and will be, perhaps, hiding the challenges that the European industry faces: chain supply, high energy costs, risks of rationing and slowing demand. Consumption will have shown less strength in terms of the acquisition of goods.

China's economy contracted for another straight quarter, marginally escaping a negative year-on-year comparison. Performance was worse than expected, leaving open the prospect of an unfavourable evolution up to the end of the year, given that youth unemployment registered a sharp increase, the real estate sector is showing unfavourable signs and local indebtedness is high. Restrictive measures to contain Covid-19 have served only to make existing weaknesses more evident. The fiscal lever has, once again, been considered a panacea.

In the first three months of 2022, Corticeira Amorim was impacted by the acquisition of the SACI group, whose activities have been consolidated into Group accounts since the beginning of the year. The SACI group's first-half figures confirmed expectations regarding the evolution of the company, whose main activity is the sale of muselets through the subsidiary ICAS. First-half sales by the SACI group reached €57 million, while EBITDA totalled €10.6 million. Compared with the same period of 2021, the SACI group (which in 2021 did not yet belong to Corticeira Amorim) increased sales by about 30%.

First-half sales growth, excluding the acquisition of the SACI group, was 13%, and growth in the sales in the first quarter was 18% and the second quarter of 8%. The first quarter of 2021 was the period most affected by the coronavirus pandemic and it was to be expected that sales growth would slow down in the second quarter of 2022 compared with the same period of the previous year. The pace of sales growth is expected to decelerate in the second half of 2022, given that in the corresponding period of the previous year Corticeira Amorim's activities were less affected by Covid-19.

Corticeira Amorim's first-half consolidated sales (including the SACI group) increased 25.9% compared with the same period of 2021 to total €545.5 million (€488.4 million excluding the change in the consolidation perimeter).

In terms of sales by Business Unit (BU), the Cork Stoppers BU registered growth of 29.0% and had the greatest weight in Corticeira Amorim's total sales. Excluding the impact in the change in the consolidation perimeter (the SACI group is part of the Cork Stoppers BU), the BU's sales would have increased 10.7%.

The Group's other BUs also registered sales increases. The Raw Materials BU recorded an increase of 9.8%; the Floor and Wall Coverings BU 21.7%; the Composite Cork BU 7.1% and the Insulation BU 10.6%. This evolution reflects an improvement in the product mix, increased prices and volume growth.

Comparable EBITDA increased 13.2% to €87.5 million, a percentage increase above that of sales. The EBITDA-sales ratio increased from 17.8% to 17.9%. Although inflationary pressures, particularly in relation to energy, raw materials and transport, continued to penalise earnings with the increased levels of activity and an improved product mix proving decisive in protecting profitability.

The results of associate companies remained in line with those of the previous year, despite an increase in the contribution made by the associate company Vinolok.

As a result of consolidating the SACI group, which is now 50% owned by Corticeira Amorim, non-controlling interests had an increased impact on Corticeira Amorim's net income in the amount of €6.4 million in the first half (1H21: €2.3 million).

After results attributable to non-controlling interests, net income totalled €47.6 million, an increase of 20.6% compared with the same period of the previous year. On a comparable basis, the increase in net income would have been 14.1%.

At the end of the first half, net interest-bearing debt totalled €71 million, an increase of €23 million compared with the end of 2021. Dividend payments (€27 million), investment in fixed assets (€34 million), the first payment related to the acquisition of the 50% stake in the SACI group (€25 million) and the second payment for Cold River's Homestead (Herdade do Rio:€15 million) were the main factors contributing to this increase, which was offset by the amount of EBITDA generated. It should be noted that the second payment due for the acquisition of the holding in the SACI group (€23 million) was made at the beginning of July and did not affect the debt figures for the first half.

2. OPERATING ACTIVITIES - FIRST HALF 2022

The Raw Materials BU recorded sales growth of 9.8%. The increase in activity was driven by higher demand from the Corticeira Amorim Group's other BUs.

EBITDA totalled €13.4 million, a significant increase in relation to the same period of the previous year (€9.5 million). The increase in the EBITDA margin (from 9.4% to 12.1%) was essentially the result of higher activity levels, an improved productivity mix and better cork yields, which more than offset the increase in operating costs, which mainly related electricity, personnel and transport.

The cork purchasing campaign has almost been completed, with prices having increased due to strong demand. Quantities were smaller, mainly due to unfavourable weather conditions.

Note should also be made of the transition to the full consolidation of Cold River's Homestead (Herdade de Rio Frio), which, until the end of the first half was an associate company. In terms of the forestry intervention project, it is worth mentioning the investments to be made in the coming years to increase the productivity of this unique forest property of cork oaks. These will include increasing planting density and using innovative processes and technologies.

The Cork Stoppers BU recorded sales totalling €401.7 million, an increase of 29.0% compared with the same period in 2021. The consolidation of the SACI group added €57.1 million in sales. On a like-for-like basis, sales increased by 10.7% compared with the first half of 2021.

This strong sales performance was the result of higher levels of activity, an improvement in the product mix, price increases implemented at the beginning of the year and the positive impact of exchange rates (excluding the exchange rate effect, sales increased 27.4% and, excluding the change in the consolidation perimeter, 9.0%). All cork stoppers segments registered an increase in sales, as did a majority of the cork stopper categories – especially Neutrocork stoppers, which continue to show strong growth. Sales performance was positive in most countries, especially in Europe. Bottling of premium wines in the US was impacted by the forest fires of 2020.

EBITDA increased to €76.7 million (+31.1% y-o-y). Excluding the effect of consolidating the SACI group, EBITDA would have been €66.1 million (+13.0% y-o-y). The EBITDA margin (excluding the SACI group) remained virtually stable (19.2% vs 18.8% in the same period of 2021). Increased activity and product mix improvements continued to offset increases in the cost of energy, personnel and non-cork raw materials, and of lower crushing yields.

The Floor and Wall Coverings BU recorded sales of €77.3 million, an increase of 21.7% compared to with the same period of 2021. The balanced growth of trading product and manufactured product sales was notable, to highlight sales of Amorim WISE products (€7.6 million vs €6.9 million in the same period of 2021) and new products (€14.0 million vs €6.8 million). Increased prices and improvements in the product mix both contributed to this growth. The BU's strong sales performance in Scandinavia and Germany (its most important markets), as well as in Portugal were also worthy of note.

The BU recorded an EBITDA of €2.2 million, up from €4 million in the same period of 2021. The EBITDA-sales margin decreased from 6.3% to 2.8%. Non-cork raw material prices together with energy, transport (especially in the Asian market) and marketing costs (mainly associated with the "Walk on Amazing" campaign) contributed to this decrease.

Sales by Composite Cork BU totalled €61.7 million, an increase of 7.1% compared with the same period in 2021 (€57.7 million). Sales growth was recorded in most markets where the BU operates. The US market, which contributes most to the BU's sales, benefited from the appreciation of the dollar - excluding this effect, sales would have risen 4.4%.

The Aerospace, Multi-purposes Seals & Gaskets and Mobility segments continued to better their performance, supporting a significant improvement in the product mix. Footwear and Cork Specialists were the segments with the biggest declines in sales. Sales by the joint ventures Amorim Sports, Corkeen and, more recently, Korko, maintained a strong dynamism (14% higher than in the same period of 2021), remaining an important growth engine for the BU.

First-half EBITDA totalled €9.7 million. The EBITDA-sales margin increased to 15.8% (1H21: 9.0%). The improvement in profitability, despite higher operating costs (especially for energy, raw materials, transport and personnel), mainly resulted from improvements in the product mix, better grinding yields and the impact of favourable exchange rates (at constant exchange rates, the EBITDA-sale margin would have been 14.5%.

Sales by the Insulation BU totalled €8.0 million, an increase of 10.6% compared with the same period of 2021. It should be noted that this BU showed a decrease in sales of 2.8% at the end of the first quarter. The growth in sales benefited from an increase in sales prices, with most markets, especially France and Italy, performing positively.

EBITDA totalled €1.1 million, compared with €1.4 million in the same period of 2021. The EBITDA-sales ratio decreased to 13.6% (1H2021: 19.2%), negatively impacted by cell closures, higher cork consumption prices and increased operating costs (mainly higher energy prices), despite the BU having benefited from better cork yields and industrial efficiency gains.

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

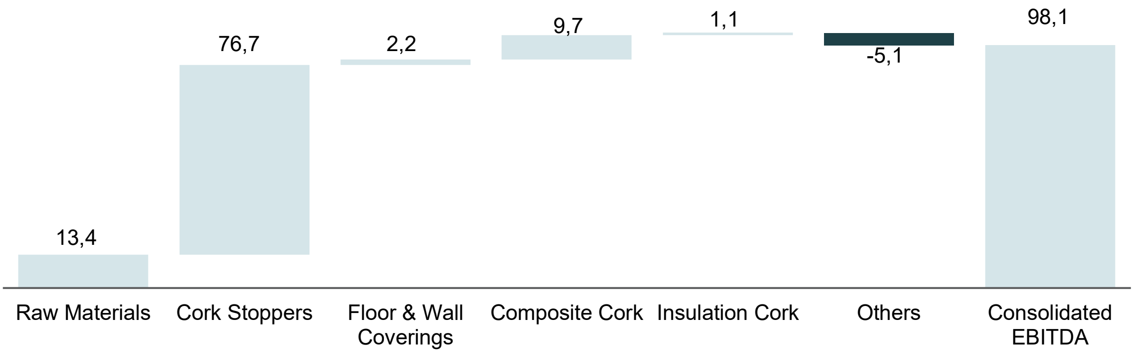
As previously mentioned, increased sales reflected the impact of the change in the consolidation perimeter resulting from the integration of the SACI group. Excluding this change, sales increased 12.7%.

The increase in the gross margin percentage from 49.7% to 53.2% reflected the increase in sales volume, sales price increases and the impact of a more favourable exchange rate.

In terms of operating costs, the increase of about €20.4 million in personnel costs (+12.8%, excluding the change in the consolidation perimeter) compared with the same period of the previous year was mainly due to an increase in the average number of employees. External supply and service costs increased 39.5% (excluding the perimeter change) compared with the same period of the previous year, due mainly to higher electricity costs (+€4 million, an increase of 50%) and transport costs (+21%).

The other operating income/expenses items that impact EBITDA evolved unfavourably, totally about €2.5 million. The impact of exchange rate differences regarding assets receivable and liabilities payable and their respective exchange rate risk coverage, which is included in other operating income/gains, was negative and amounted to about €0.3 million (1H21: -€0.7 million).

EBITDA increased 26.9%, totalling €98.1 million. The EBITDA-sales ratio was 18.0% (1H21: 17.8%). Excluding the effect of the consolidation of the SACI group, EBITDA increased 13.2% to €87.5 million.



Non-recurring results totalling €1.1 million were recognised, mainly resulting from the recording of an impairment (inventories and customers) reflecting a prudent approach to exposure to Russia, Ukraine and Belarus.

Financial results were slightly above those recorded in the same period of 2021.

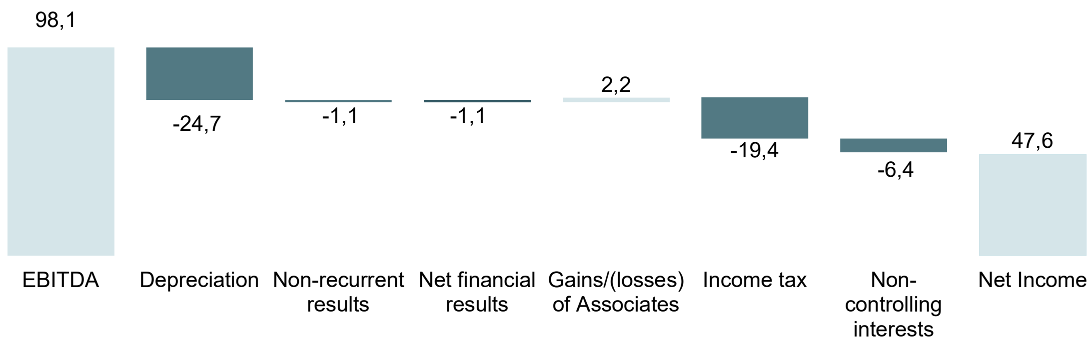
The earnings of associate companies totalled €2.2 million, in line with those of the same period of 2021. Despite the improvement in the results of the associate company Vinolok (€2.0 million vs €1.4 million), the hyperinflation affecting the associate company Corchos de Argentina prevented the overall growth of associate company earnings.

As usual, it will only be possible to estimate the value of investment tax benefits for 2022 (RFAI and SIFIDE) at the end of the year. Thus, any tax gain will be recorded only at the closing of the 2022 accounts. During the first half definitive decisions were reached SIFIDE benefits for 2020 and partially for SIFIDE benefits for 2021. Receipt in 2022 of the definitive declarations of SIFIDE 2019 and of 2020.

Non-controlling interests increased y-o-y (€6.4 million vs €2.3 million), reflecting the impact of the acquisition of the SACI group (€2.8 million) on the accounts for the first half of 2022.

After income tax of €19.5 million and the allocation of results to non-controlling interests, net income attributable to Corticeira Amorim shareholders totalled €47.6 million, an increase of 20.6% compared with the €39.4 million attributed in the first half of 2021. On a comparable basis, net income would have been €45.0 million (an increase of 14.1% over the same period of the previous year.

Earnings per share were €0.358, compared with €0.296 for the first half of 2021.



In terms of the Group's financial position, assets increased by €203 million compared with December 2021. A significant part of this increase resulted from the consolidation of the SACI group. Excluding the effect of this change, assets asset would have increased by €76 million.

Under item headings, and excluding the change in the consolidation perimeter, trade receivable (€50 million due to increased turnover) and Other Assets (€33 million mainly due to advances for the purchase of raw materials) merit noting. Cash and cash equivalents decreased by €28 million, reflecting the impact of a partial payment (€25 million) for the acquisition of 50% of the SACI group.

The change in Equity (excluding non-controlling interests) mainly reflects the earnings for the period (+€47.6 million) and the dividends distributed (€26.6 million). The increase in Non-Controlling Interests (+€55.7 million) was essentially due to the consolidation of the SACI group.

In regard to changes relating to Liabilities, recognition of the debt arising from the amount paid from the acquisition of the SACI group (€23 million), which took place at the beginning of July, merits noting, as do the increases under Suppliers (€35 million).

At the end of June 2022, Equity totalled €705 million. The financial autonomy ratio stood at 54.9%.

4. KEY CONSOLIDATED INDICATORS

		1H21	1H22	qoq	1H22 w/o SACI	qoq	2Q21	2Q22	qoq
Sales		433 318	**545 523**	25,9%	**488 409**	12,7%	233 730	**281 978**	20,6%
Gross Margin – Value		215 485	**290 297**	34,7%	**262 790**	10,5%	115 666	**148 703**	28,6%
Gross Margin / Sales		49,7%	**53,2%**	+ 3,5 p.p.	**53,8%**	+ 4,1 p.p.	49,5%	**52,7%**	+ 3,2 p.p.
Operating Costs - current		159 410	**216 920**	36,1%	**197 593**	24,0%	81 537	**107 076**	31,3%
EBITDA - current		77 270	**98 081**	26,9%	**87 488**	13,2%	45 146	**53 994**	19,6%
EBITDA/Sales		17,83%	**17,98%**	+ 0,1 p.p.	**17,9%**	+ 0,1 p.p.	19,3%	**19,1%**	-0,2 p.p.
EBIT - current		56 075	**73 377**	30,9%	**65 197**	16,3%	34 129	**41 628**	22,0%
Net Income		39 432	**47 564**	20,6%	**44 977**	14,1%	23 463	**27 460**	17,0%
Earnings per share		0,296	**0,358**	20,6%	**0,338**	14,1%	0,176	**0,206**	17,0%
Net Bank Debt		53 243	**71 217**	17 974	**66 443**	13 200		**-**	-
Net Bank Debt/EBITDA (x)	1)	0,40	**0,46**	0,06 x	**0.46**	0.06x		**-**	-
EBITDA/Net Interest (x)	2)	207,0	**237,0**	30,00 x	**236,2**	29,21 x	212,7	**230,46**	17,78 x

1) Current EBITDA of the last four quarters

2) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions).

5. OUTLOOK FOR THE SECOND HALF

The first quarter of 2022 continued to register significant variations in the activities of Corticeira Amorim. The second quarter of 2022, however, already reflected a certainly normalisation in the growth of sales given that the comparable period had already experienced a less significant impact from the pandemic.

For the remaining quarters of 2022, the perspectives include maintaining the growth in activities verified in the second quarter even while certain restrictive factors may emerge to hinder this development. One of the challenges for the second quarter is the need to understand the impacts that an inflationary environment may have on global consumption.

In terms of transport and subsidiary material costs, despite expecting a lifting of the pressures driving the price rises, the situation is not forecast to return to the previous levels. Similarly, there is little expectation that the rise in prices in the energy market shall fall back significantly.

6. BUSINESS RISKS AND UNCERTAINTIES

Throughout the 150 years of its history, Corticeira Amorim has successfully dealt with various different and deep social transformations. Corticeira Amorim, as any other economic actor, consequently continues to operate in the uncertain economic environment that is shaping global markets. The inflationary environment of the first quarter is one source of uncertainty that conditions the performance perspectives of Corticeira Amorim in 2022.

The risks and uncertainties detailed in the annual report remain very much in effect. At the end of the first quarter, the following aspect stands out:

- Having ensured the needs for cork for the forthcoming year, Corticeira Amorim seeks to continue constantly responding to the needs of its clients distributed across five continents adopting practices that, at any moment, represent the best and the most appropriate. The diversification policy and corresponding practices (not just one product, not just one market, not just one currency) guarantees additional stability.

The Corticeira Amorim activities are exposed to a variety of financial risks: market risks (including exchange rate risks and interest rate risks), credit risks, liquidity risks and capital risks. The company's objectives and policies for managing these risks, including the coverage policy not only for each of the main categories of transactions planned through recourse to hedge accounting but also for the exposure to prices risks, credit risks, liquidity risks and cash flow risks as detailed in the "Financial Risk Management" Note included in the Notes to the Consolidated Accounts.

7. OWN SECURITIES

Throughout the first half of 2022, Corticeira Amorim did not acquire or dispose of any of its own shares.

On June 30, 2022, Corticeira Amorim did not hold any of its own shares.

8. SHAREHOLDERS' EQUITY

Relationships of shareholders holding qualified equity stakes on the date of closing this report:

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

(a) Includes 3 045 823 shares (2.29%) held by funds under the management of Santander Asset Management, SA, SGIIC (communication received by the company on 6 June 2019).

Shareholders Amorim Investimentos e Participações, SGPS, S.A. *(b)*	**No. of shares**	**% Capital with voting rights**
Directly	67 830 000	51.000%
Total attributable	**67 830 000**	**51.000%**

(b) Shares with voting rights in Amorim Investimentos e Participações, SGPS, S.A. are entirely held by three companies, Amorim Holding Financeira, SGPS, S.A. (11.392%), Amorim Holding II, SGPS, S.A. (38.608%) and Amorim - Sociedade Gestora de Participações Sociais, S.A. (50%) without any of these companies having any participation in the company's business affairs, thus thereby terminating the chain of responsibility under the terms of Art. 20 of the CVM Code. The share capital and voting rights of the aforementioned three companies is, in turn, held respectively, in the case of the first two, directly and indirectly by Mrs. Maria Fernanda Oliveira Ramos Amorim and daughters and, in the case of the third, by Mr. António Ferreira de Amorim, wife and children.

Shareholder A Porta da Lua, S.A.	No. of shares	% Capital with voting rights
Directly	8 290 767	6.234%
Total attributable	**8 290 767**	**6.234%**

Maria Fernanda Oliveira Ramos Amorim	No. of shares	% Capital with voting rights
Directly	-	-
Through the shareholder A Porta da Lua, S.A. *(c)*	8 290 767	6.234%
Total attributable	**8 290 767**	**6.234%**

(c) The equity capital of the company A Porta da Lua, S.A. is held entirely by Maria Fernanda Oliveira Ramos Amorim.

API – Amorim Participações Internacionais, S.A.	No. of shares	% Capital with voting rights
Directly	2 717 195	2.043%
Total attributable	**2 717 195**	**2.043%**

Marta Cláudia Ramos Amorim Barroca de Oliveira	No. of shares	% Capital with voting rights
Directly	-	-
Through the shareholder API – Amorim Participações Internacionais, S.A.. *(d)*	2 717 195	2.043%
Total attributable	**2 717 195**	**2.043%**

(d) The equity capital of the company API – Amorim Participações Internacionais, S.A. is held entirely by Marta Cláudia Ramos Amorim Barroca de Oliveira.

Vintage Prime – S.G.P.S., S.A.	No. of shares	% Capital with voting rights
Directly	2 717 195	2.043%
Total attributable	**2 717 195**	**2.043%**

Luisa Alexandra Ramos Amorim	No. of shares	% Capital with voting rights
Directly	-	-
Through the shareholder Vintage Prime – S.G.P.S., S.A.. *(e)*	2 717 195	2.043%

	Total attributable	**2 717 195**	**2.043%**

(e) The equity capital of the company Vintage prime – S.G.P.S., S.A. is entirely held by Luisa Alexandra Ramos Amorim.

Shareholder **Amorim, Sociedade Gestora de Participações Sociais, S.A.** *(f)*		**No. of shares**	**% Capital with voting rights**
Directly		13 414 387	10.086%
	Total attributable	**13 414 387**	**10.086%**

(f) The capital of Amorim, Sociedade Gestora de Participações Sociais, S.A. is held by Mr. António Ferreira de Amorim, wife and children and with no family member participating in the running of the company.

9. TRANSACTIONS BY DIRECTORS AND OFFICERS

In the first half of 2022 there were no transactions in shares or financial instruments related with those issued by Corticeira Amorim either by their Executives or by the companies that own CORTICEIRA AMORIM, or by persons or entities closely related to them.

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

On the date of issuing this report, the following shareholders owned more than a tenth of the share capital of Corticeira Amorim:

I. The company Amorim Investimentos e Participações, S.A. was the holder of 67 830 000 shares in Corticeira Amorim, corresponding to 51% of the share capital and voting rights;
II. The company Amorim, - Sociedade Gestora de Participações Sociais, S.A. was the holder of 13 414 387 shares in Corticeira Amorim, corresponding to 10.086% of the share capital and voting rights.

11. SUBSEQUENT EVENTS

As foreseen in the acquisition contract, an additional 10% of Bourrassé was purchased in July for €5 million, thus becoming the owner of 100% of Bourrassé.

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

12. STATEMENT OF RESPONSIBILITY

In compliance with that established in line c) of paragraph 1 of article 246 of the CVM Code, the members of the Board of Directors hereby declare that, to the best of their knowledge, the quarterly reports and other accounting documents were drafted in compliance with the applicable accountancy norms, provide a true and appropriate image of the assets and liabilities, the financial situation and the results of CORTICEIRA AMORIM, SGPS, S.A. and the companies included in its perimeter of consolidation. They furthermore declare that the management report faithfully sets out the trends in business, the performance and position of CORTICEIRA AMORIM, SGPS, S.A. and the companies included in its perimeter of consolidation, with the aforementioned report containing a specific chapter detailing the main business risks and uncertainties arising in the following six months.

Mozelos, August 1, 2022

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

António Rios de Amorim (Chairman)

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairman)

Fernando José de Araújo dos Santos Almeida (Member)

Cristina Rios de Amorim Baptista (Member)

Luisa Alexandra Ramos Amorim (Member)

Juan Ginesta Viñas (Member)

José Pereira Alves (Member)

Marta Parreira Coelho Pinto Ribeiro (Member)

Maria Cristina Galhardo Vilão (Member)

António Lopes Seabra (Member)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

thousand euros

	Notes	June 30, 2022	December 31, 2021	June 30, 2021
Assets				
Tangible assets	8	345 605	283 990	275 804
Intangible assets	9	18 328	17 266	17 701
Right of use	10	5 495	6 173	6 689
Goodwill	9	20 828	9 843	13 716
Biological assets		1 045	62	23
Investment property	11	5 269	5 311	5 353
Investments in associates and joint	12	30 122	42 401	42 008
Other financial assets		2 091	1 868	1 734
Deferred tax assets	13	13 347	12 131	13 341
Other debtors	16	2 711	3 238	3 422
Non-current assets		**444 841**	**382 282**	**379 792**
Inventories	14	372 913	340 167	317 121
Trade receivables	15	263 720	182 653	211 410
Income tax assets	13	2 429	10 398	3 460
		-	-	618
Other debtors	16	51 151	46 590	27 909
Other current assets	16	50 945	9 596	30 081
Cash and cash equivalents	17	97 855	109 604	103 678
Current assets		**839 013**	**699 008**	**694 277**
Total Assets		**1 283 853**	**1 081 290**	**1 074 069**
Equity				
Share capital	18	133 000	133 000	133 000
Other reserves	18	441 434	388 191	393 600
Net Income		47 564	74 755	39 432
Non-Controlling Interest	19	83 028	27 336	28 729
Total Equity		**705 026**	**623 283**	**594 761**
Liabilities				
Interest-bearing loans	20	119 964	87 573	86 889
Other financial liabilities	22	14 623	14 644	21 938
Provisions	26	3 502	3 698	3 055
Post-employment benefits		2 807	2 184	2 082
Deferred tax liabilities	13	49 798	51 041	50 424
Non-current liabilities		**190 694**	**159 141**	**164 388**
Interest-bearing loans	20	49 108	70 103	70 032
Trade payables	21	214 690	160 825	161 461
Other financial liabilities	22	83 572	45 816	45 769
Other liabilities	22	28 257	17 701	24 628
Income tax liabilities	14	12 506	4 421	13 030
Current liabilities		**388 134**	**298 866**	**314 920**
Total Liabilities and Equity		**1 283 853**	**1 081 289**	**1 074 069**

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

Consolidated income statement by nature

thousand euros

2Q22 (non audited)	2Q21 (non audited)		Notes	1H22	1H21
281 978	233 730	Sales	7	545 523	433 318
-146 223	-114 266	Costs of goods sold and materials consumed		-272 580	-202 879
12 949	-3 798	Change in manufactured inventories		17 354	-14 954
-49 233	-34 242	Third party supplies and services		-98 888	-65 557
-48 456	-38 914	Staff costs		-95 929	-75 507
-128	710	Impairments of assets	23	67	1 347
5 609	3 466	Other income and gains		7 199	5 105
-2 501	-1 539	Other costs and losses		-4 664	-3 602
53 994	**45 146**	**Operating Cash Flow (current EBITDA)**		**98 081**	**77 270**
-12 366	-11 016	Depreciation	8, 9, 10, 11	-24 704	-21 194
41 628	**34 129**	**Operating Profit (current EBIT)**		**73 377**	**56 075**
1 940	-	Non-recurrent results	24	-1 057	-
-592	-482	Financial costs		-1 310	-958
52	16	Financial income		206	32
910	1 561	Share of (loss)/profit of associates and joint-ventures	12	2 192	2 242
43 939	**35 224**	**Profit before tax**		**73 408**	**57 391**
-13 124	-10 591	Income tax	13	-19 445	-15 659
30 815	**24 634**	**Profit after tax**		**53 962**	**41 733**
-3 355	-1 172	Non-controlling Interest	19	-6 399	-2 301
27 460	**23 462**	**Net Income attributable to the equity holders of Corticeira Amorim**		**47 564**	**39 432**
0,206	**0,176**	**Earnings per share - Basic e Diluted (euros per share)**		**0,358**	**0,296**

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

Consolidated statement of comprehensive income

thousand euros

2Q22 (non audited)	2Q21 (non audited)		Notes	1H22	1H21
30 815	**24 635**	**Net Income**		**53 962**	**41 733**
		Itens that may be reclassified through income statement:			
-751	43	Change in derivative financial instruments fair value	18	-832	-569
786	-685	Change in translation differences and other	18	2 581	1 314
1 054	497	Share of other comprehensive income of investments accounted for using the equity method	18	1 573	817
338	143	Other comprehensive income	18	133	-68
1 428	**-2**	**Other comprehensive income (net of tax)**		**3 455**	**1 494**
32 243	**24 633**	**Total Net compreensive income**		**57 417**	**43 227**
		Attributable to:			
30 123	23 540	Corticeira Amorim Shareholders		51 047	40 928
2119	1 094	Non-controlling Interest		6371	2300

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

(the items in this Statement are presented net of taxes. Income tax related to other components of comprehensive income presented in note 13)

Consolidated statement of cash flow

thousand euros

2Q22 (non audited)	2Q21 (non audited)		Notes	1H22	1H21
		OPERATING ACTIVITIES			
322 404	221 587	Collections from customers		523 189	412 249
-227 137	-134 622	Payments to suppliers		-432 535	-267 781
-51 456	-33 512	Payments to employees		-85 676	-68 954
43 810	**53 453**	**Operational cash flow**		**4 978**	**75 514**
-5 129	-1 162	Payments/collections - income tax		-5 994	-2 315
-7 243	16 121	Other collections/payments related with		54 860	35 961
31 438	**68 412**	**CASH FLOW FROM OPERATING ACTIVITIES**		**53 843**	**109 160**
		INVESTMENT ACTIVITIES			
		Collections due to:			
598	168	Tangible assets		665	400
58	-	Intangible assets		58	-
-	31	Financial investments		60	46
66	114	Other assets		90	250
79	-5	Interests and similar gains		93	21
822	350	Dividends		822	350
		Payments due to:			
-18 106	-4 366	Tangible assets		-29 817	-10 151
-12 600	-15 276	Financial investments		-21 020	-15 304
-457	-3 324	Intangible assets		-1 625	-3 938
- 29 541	**- 22 308**	**CASH FLOW FROM INVESTMENTS**		**- 50 674**	**- 28 326**
		FINANCIAL ACTIVITIES			
		Collections due to:			
16 251	-	Loans		16 251	-
-531	1 225	Government grants		1 545	3 021
7 168	17	Transactions with non-controlling interest		7 168	17
767	693	Others		1 483	1 129
		Payments due to:			
3 912	6 823	Loans		-	-12 976
-563	-390	Interests and similar expenses		-968	-769
79	-592			-467	-592
-26 600	-24 605	Dividends paid to company's shareholders	**18**	-26 600	-24 605
-308	-535	Dividends paid to non-controlling interest	**19**	-308	-535
-603	-873	Government grants		-1 212	-873
-314	-129	Others		-486	-243
- 742	**- 18 366**	**CASH FLOW FROM FINANCING**		**- 3 594**	**- 36 427**
1 155	29 212	**Change in cash**		-425	44 407
-69	-38	**Exchange rate effect**		175	91
-816	-	**Perimeter variation**		-	-
64 908	39 633	**Cash at beginning**	**17**	67 060	24 309
66 811	68 807	**Cash at end**	**17**	66 811	68 807

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

Consolidated Statement of Changes in Equity

thousand euros

	Notes	Share capital	Paid-in capital	Hedge accounting	Translation difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
		Attributable to owners of Corticeira Amorim, SGPS, S.A.								
Balance sheet as at January 1, 2021		133 000	38 893	431	-9 043	26 600	295 502	64 325	26 948	576 656
Profit for the year	18	-	-	-	-	0	64 326	-64 326	-	0
Dividends	18	-	-	-	-	-	-24 605	-	-535	-25 140
Perimeter variation	19	-	-	-	-	-	-	-	17	17
Changes in the percentage of interest retaining control	19	-	-	-	-	-	-	-	0	0
Consolidated Net Income for the period	18 e 19	-	-	-	-	-	-	39 432	2 301	41 733
Change in derivative financial instruments fair value	3	-	-	-569	-	-	-	-	-	-569
Change in exchange differences	18 e 19	-	-	-	1 331	-	-	-	-17	1 314
Other comprehensive income of associates	12	-	-	-	-21	-	838	-	-	817
Other comprehensive income		-	-	-	-	-	-83	-	15	-68
Total comprehensive income for the period		0	0	- 569	1 310	0	755	39 432	2 300	43 227
Balance sheet as at June 30, 2021		133 000	38 893	-138	-7 733	26 600	335 978	39 432	28 729	594 761
Balance sheet as at January 1, 2022		133 000	38 893	-109	-7 253	26 600	330 058	74 756	27 336	623 283
Profit for the year	18	-	-	-	-	0	74 755	-74 755	-	0
Dividends	18	-	-	-	-	-	-26 600	-	-308	-26 908
Perimeter variation	19	-	-	-	-	-		-	50 032	50 032
Changes in the percentage of interest retaining control	19	-	-	-	-	-	1 604	-	-403	1 201
Consolidated Net Income for the period	18 e 19	-	-	-	-	-	-	47 564	6 399	53 963
Change in derivative financial instruments fair value	3	-	-	-832	-	-	-	-	-	-832
Change in exchange differences	18 e 19	-	-	-	2 609	-	-	-	-28	2 581
Other comprehensive income of associates	12	-	-	-	-549	-	2 122	-	-	1 573
Other comprehensive income		-	-	-	-	-	133	-	0	133
Total comprehensive income for the period		0	0	- 832	2 060	0	2 255	47 564	6 371	57 418
Balance sheet as at June 30, 2022		133 000	38 893	-941	-5 193	26 600	382 072	47 564	83 028	705 026

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

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

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

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

Amorim - Investimentos e Participações, S.G.P.S, S.A. held, as of December 31, 2021 and June 30, 2022, 67,830,000 shares of CORTICEIRA AMORIM, corresponding to 51.00% of the capital stock. Corticeira Amorim consolidates in Amorim – Investimentos e Participações, S.G.P.S., S.A., which is its controlling and Mother Company. Amorim – Investimentos e Participações, S.G.P.S., S.A. is owned by Amorim family.

These financial statements were approved in the Board Meeting of August 1, 2022. Shareholders have the capacity to modify these financial statements even after their release.

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

As of January 1, 2022, Corticeira Amorim began to disaggregate in the Statement of Position the Other financial assets and the Other assets, in a manner consistent with the disclosure that was already made in note 35 of the Annual Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements as of June 30, 2022 were prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard 34 - Interim Financial Reporting, and include the statement of financial position, the income statement, the income statement and other comprehensive income, the statement of changes in equity and the condensed statement of cash flows, as well as the selected explanatory notes. The remaining notes were excluded because they have not suffered any changes in their standards which may affect the understanding of the financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements of CORTICEIRA AMORIM are consistent with those used in the preparation of the financial statements presented for the year ended December 31, 2021.

Changes in accounting policies and disclosures

The standards and interpretations that became effective as of 1 January 2022 are as follows:

- **IFRS 16** (amendment), 'Leases – COVID-19 related rent concessions beyond 30 June 2021'. This amendment extends the date of application of the IFRS 16 – 'Leases – COVID-19 related rent concessions' amendment from 30 June 2021 to 30 June 2022. allowing to recognise rent concessions related to COVID-19 as variable lease payments and not as a modification to the lease. The conditions of application of the practical expedient remain, and the extension of the practical expedient can only be applied by the lessees who applied the previous practical expedient.

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

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

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

- **Annual Improvements 2018 - 2020.** The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41. This standard is still subject to endorsement by the European Union.

    - IFRS 1, 'Subsidiary as first-time IFRS adopter'. This improvement clarifies that when the subsidiary chooses to measure its assets and liabilities at the amounts included in the parent's consolidated financial statements, the measurement of the accumulated translation differences for all foreign operations can be made by the amount that would be included in the consolidated financial statements, based on the parent's date of transition to IFRS;

    - IFRS 9, 'Derecognition of liabilities - costs incurred to be included in the 10% variation test'. This improvement clarifies that in the scope of derecognition tests carried out on renegotiated liabilities, in determining the net value between fees paid and fees received, a borrower includes only the fees paid or received between the borrower and the lender, including fees paid or received, by either party on other's behalf;

    - IFRS 16, 'Leasing incentives'. This improvement refers to the amendment to Illustrative Example 13 that accompanies IFRS 16, to eliminate inconsistency in the accounting treatment of lease incentives, attributed by the lessor;

    - IAS 41, 'Taxation and measurement of fair value'. This improvement eliminates the requirement to exclude taxation cash flows when measuring the fair value of biological assets, ensuring consistency with the principles of IFRS 13 - 'Fair value.

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

The standards (new and amended) published, the application of which is mandatory for economic periods beginning after January 1, 2023, already endorsed by the European Union, are as follows:

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

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

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

- **IFRS 17** (amendment), 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This amendment includes specific changes in eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and ease transition. IFRS 17 is applied retrospectively. On the issue this amended the end date for applying IFRS 9 (temporary exemption or overlay approach) under the IFRS 4 standard, was extended to 1 January 2023, aligned with the effective date of IFRS 17.

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

The standards (new and amended) published, the application of which is mandatory for economic periods beginning after January 1, 2023, but which the European Union has not yet endorsed, are as follows:

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

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

- **IFRS 17** (amendment), 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023). This amendment is still subject to endorsement by the European Union. This amendment relates only to insurers' transitioning to the IFRS 17 and allows the adoption of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. This amendment seeks to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when applying IFRS 17 for the first time, providing for (i) the application on a financial asset-by-financial asset basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date, to determine how the entity expects that financial asset to be classified in accordance with IFRS 9.

Corticeira Amorim is evaluating the impact resulting from these changes and will apply these standards in the year in which they become effective, or in advance when permitted.

3. FINANCIAL RISK MANAGEMENT

The activities of Corticeira Amorim are exposed to a variety of financial risks: market risks (including exchange rate risk, interest rate risk and raw material price risk), credit risk, liquidity risk and capital risk.

Market risk

As regards market risks, while impacted by the pandemic (exchange rate risk, interest rate risk and raw material price risk), they were not significantly impacted by the current context and maintaining the monitoring procedures reported on December 31, 2021. International market volatility requires thorough compliance with the already defined procedures in order to avoid the eventual impacts of adverse events.

Credit risk

The credit risk results essentially from the balances receivable from clients resulting from commercial transactions. In the context of the pandemic, credit risk management did not experience any significant alterations to the procedures adopted, having reinforced the collection measures already in effect. Corticeira Amorim is attentive to the question of collecting accounts receivable even though, in a universe of almost 30,000 clients around the world, the risks are significantly dispersed. The credit risk is naturally lower given the geographic scope of sales and a very high number of clients on every continent with no individual entity accounting for over 2% of total sales.

The client credit risk is evaluated by the Financial Departments of operating companies taking into account the track record of the commercial relationship, its financial position as well as other information that may be obtained through the business networks of Corticeira Amorim. The credit limits established are regularly subject to analysis and revised whenever necessary.

In general terms, no guarantees are requested from clients. Corticeira Amorim makes occasional recourse to credit insurance.

The credit risk also results from the available cash balances and derivative financial instruments. Corticeira Amorim undertakes prior analysis of the respective financial institution ratings in order to minimise the risks of non-compliance by counterparties.

The maximum amount of credit risk is that which results from the non-receipt of the totality of financial assets (June 2022: 415 million euros and December 2021: 341 million euros).

The amounts registered in the Cash and equivalents item by Corticeira Amorim are dispersed across over 100 subsidiaries. In terms of the quality of credit risk, associated with Cash and Equivalents, on June 30, 2022, Corticeira Amorim selects financial institutions with ratings that do not call into doubt the return of these assets. This thereby highlights how, out of the total of Cash and Equivalents (€97.9 million), around €29 million are deposited in a financial institution (private capital) with the following ratings: Moody's A3 / P-2; Fitch: BBB+ / F2; others €7M are deposited in a financial institution (private capital) with the following ratings: Moody's Baa2; Fitch: BBB+; and others €6M are deposited in a financial institution (public capital) with the following: Moody's Baa2 / P-2; Fitch: BBB / F3.

Liquidity risk

The Corticeira Amorim financial departments regularly analyse the provisional cash-flows in order to ensure there is sufficient liquidity for the group to meet its operational needs and, simultaneously, comply with the obligations assumed under the auspices of various lines of financing. Any amounts of surplus liquidity are invested in remunerated short term deposit accounts. Hence, this underpins the necessary flexibility for running the business.

The coverage of liquidity risks essentially stems from the existence of an immediately available series of credit lines and commercial bond issues, and, eventually, by the existence of bank account deposits. Due to the COVID-19 pandemic, Corticeira Amorim strengthened the aforementioned lines and issues that were formerly available and contracted new sources of financing. Thus, Corticeira Amorim closed the six months with unused credit lines and commercial bond issue programs totalling €238.6 million (on December 31, 2021, the comparative amount stood at €206 million). When combined with Cash and Equivalents, the Liquidity Reserve at the end of the aforementioned period amounted to €336.5 million (€315.8 million on December 31, 2021).

Capital risk

The fundamental objective of the Board is to ensure the continuity of operations, providing an appropriate level of remuneration to Shareholders and the corresponding benefits to the remaining Stakeholders in Corticeira Amorim. To achieve this objective, the careful management of the capital deployed in the business is fundamental alongside ensuring an optimal capital structure that thereby brings about a reduction in capital costs. Corticeira Amorim is a solid business endowed with an appropriate and balanced capital structure, responsible for its core activity of underpinning the sustainability of the entire cork sector. Without the stoppers produced by Corticeira Amorim, thousands of wine-makers and bottlers would not be able to operate across the most varied geographies.

Within the framework of maintaining or adjusting the capital structure deemed most appropriate, the Board may propose to the General Shareholder Assembly the measures considered necessary and that may involve adjustments to the pay-out regarding the dividends payable, transactions in the company's shares, raising equity capital through issuing shares and selling assets, among other measures. The indicator applied to monitor the capital structure is the Financial Autonomy ratio. The Board has established as its target a level of Financial Autonomy of no less than 40% taking into account the characteristics of the company and its respective sector of activity. Financial Autonomy reported the following trend:

thousands of euros

	June 30, 2022	December 31, 2021	June 30, 2021
Own Capital	705 026	623 283	594 761
Assets	1 283 853	1 081 289	1 074 069
Financial Autonomy	**54.9%**	**57.6%**	**55.4%**

Fair value of the financial assets and liabilities

The Group measures part of its financial assets and liabilities by their fair value on the reference date for the financial reporting. The derivative financial instruments acquired by Corticeira Amorim are not market traded and have no listing (derivatives negotiated over the counter).

Furthermore, the accountancy norms establish a hierarchy of fair value that classifies the data across the three levels incorporated into the measurement techniques for the fair value of financial assets and liabilities:

Level 1 Data – listed prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Data – distinct data on the listed prices that are observable for the asset or liability, directly or indirectly;

Level 3 Data – non-observable data relating to the asset or liability. During the financial year, there were no transfers among the aforementioned levels.

The value of the derivative financial instruments recognised in the report on the Corticeira Amorim financial position, dated June 30, 2022, amounts to 180 K€ in the assets (December 20, 2021: 1 154 K€) and 2 305 K€ in liabilities on June 30, 2022 (December 20, 2021: 1 126 K€), as stated in notes 16 and 22.

Corticeira Amorim makes recourse to outright forwards and options for exchange rate risk coverage as is detailed below. The evaluation of exchange rate risk hedging instruments involved valuation techniques that apply observable inputs (Level 2). The fair value is calculated through a model owned by Corticeira Amorim and developed by Reuters that adopts the updated cash-flow method for the outright forwards while applying the Black & Scholes calculation model to options contracts.

The only level 3 financial liability derives from the agreement to acquire an additional holding in subsidiaries, with the terms describe in note 21.

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

Currency operations contracted with credit institutions

On 30 June 2022, there were options and outright forwards contracts relating to the currencies used by CORTICEIRA AMORIM transactions.

It is foreseeable that such transactions in foreign currencies are very likely to happen, which were therefore subject to exchange rate risk coverage, and taking place during the second half of 2022. The amount recognised in the "under Adjustment of Accountancy Coverage" will be recognised in the financial results for the same period.

The amount recognised in integral earnings related to variations in the fair value of efficient cash flow coverage was -832 K€ (1H21: €-569 K€).

4. CRITICAL ESTIMATES AND JUDGEMENTS

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

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

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

- Entities included in the consolidation perimeter

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

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

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

- Impairment of non-current assets, excluding goodwill

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

- Impairment of goodwill

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

- Intangible and tangible assets

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

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

- Provisions

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

- Deferred income tax assets

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

- Expected credit loss

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

- Fair value of financial assets and liabilities

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

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

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

- Revenue - return rights / quantity discounts

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

5. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	1H22	1H21
Raw Materials					
Amorim Natural Cork, S.A.		**Vale de Cortiças - Abrantes**	**PORTUGAL**	**100%**	**100%**
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal II, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal III, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, S.L.		Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%	100%
Cold River´s Homestead, SA	(b)(e)	Lisboa	PORTUGAL	100%	50%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
Cosabe - Companhia Silvo-Agrícola da Beira S.A.		Lisboa	PORTUGAL	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière		Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim Cork, SGPS, S.A.		**Santa Maria Lamas**	**PORTUGAL**	**100%**	**100%**
ACIC USA, LLC		Califórnia	U. S. AMERICA	100%	100%
Agglotap, S.A.		Girona	SPAIN	91%	91%
All Closures In, S.A.		Paços de Brandão	PORTUGAL	75%	75%
Amorim Cork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Australasia Pty Ltd.		Adelaide	AUSTRALIA	100%	100%
Amorim Bartop, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Champcork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Cork América, Inc.		Califórnia	U. S. AMERICA	100%	100%
Amorim Cork Beijing Ltd.		Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%	100%
Amorim Cork España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Cork Hungary Zrt.		Budapeste	HUNGARY	100%	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd.		Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%	100%
Amorim Top Series France, S.A.S.		Merpins	FRANCE	100%	100%
Amorim Top Series, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Top Series Scotland, Ltd		Dundee	SCOTLAND	75%	75%
Biocape - Importação e Exportação de Cápsulas, Lda.		Mozelos	PORTUGAL	60%	60%
Bouchons Prioux		Epernay	FRANCE	91%	91%
Bozales ICAS HITE Argentina	(b) (c)	Mendoza	ARGENTINA	26%	-
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchera Gomez Barris	(b)	Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(a)	Mendoza	ARGENTINA	50%	50%
Corpack ACI, S.A.		Santiago	CHILE	90%	90%
Corpack Bourrasse, S.A.		Santiago	CHILE	90%	90%
Elfverson & Co. AB		Paryd	SWEDEN	38%	75%
Elfverson I.P., S.A.	(d)	Vergada	PORTUGAL	38%	-
Elfverson Portugal, SA	(d)	Santa Maria Lamas	PORTUGAL	38%	-
S.A.S. Ets Christian Bourassé		Tosse	FRANCE	90%	90%
FP Cork, Inc.		Califórnia	U. S. AMERICA	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	92%	92%
HITE, S.A. - Hispano Italiana Trenzados Especiales, S.A.	(b) (c)	Barcelona	SPAIN	25%	-
HdP S.P.A.	(b) (c)	Turim	ITALY	50%	-
I.C.A.S. S.p.A.	(b) (c)	Turim	ITALY	50%	-
ICAS Brasil Ltda.	(b) (c)	Garibaldi (RS)	BRAZIL	25%	-
ICAS France S.a.r.l.	(b) (c)	Reims	FRANCE	50%	-
ICAS HITE Australasia	(e)	Adelaide	AUSTRALIA	69%	50%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%	100%
Indústria Corchera, S.A.	(b)	Santiago	CHILE	50%	50%
Kapselfabrik. GmbH	(b) (c)	Bad Kreuznach	GERMANY	50%	-
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Pfefferkorn & Co. GmbH	(b) (c)	Simmern	GERMANY	50%	-
Pfefferkorn & Reiter GmbH	(b) (c)	Simmern	GERMANY	50%	-
Portocork América, Inc.		Califórnia	U. S. AMERICA	100%	100%
Portocork France, S.A.S.		Bordéus	FRANCE	100%	100%

Portocork Itália, s.r.l		Milão	ITALY	100%	100%
Prats & Bonany S.A.	(b) (c)	Reims	FRANCE	37%	-
Relvas II Rolhas de Champanhe S.A.	(b) (c)	Montemor-o-Novo	PORTUGAL	50%	-
Sarl Relvas France	(b) (c)	Reims	FRANCE	37%	-
SACI S.r.l.	(b) (c)	Ivrea	ITALY	50%	-
Sagrera et Cie		Reims	FRANCE	91%	91%
S.A. Oller et Cie		Reims	FRANCE	94%	94%
San Bernardo Tappi Spumante S.r.l	(b) (c)	Ivrea	ITALY	43%	-
Schneider (Mainsee 1407. V V) GmbH	(b) (c)	Bad Kreuznach	GERMANY	50%	-
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux		Epernay	FRANCE	91%	91%
Socori, S.A.		Rio Meão	PORTUGAL	90%	90%
Socori Forestal, S.L.		Cáceres	SPAIN	90%	90%
Société Nouvelle des Bouchons Trescases	(a)	Perpignan	FRANCE	50%	50%
Sumois S.A	(b) (c)	Sant Sadurni D'Anoia	SPAIN	25%	-
Tango S.S	(b) (c)	Ivrea	ITALY	37%	-
Trefinos Australia		Adelaide	AUSTRALIA	91%	91%
Trefinos Italia, s.r.l		Treviso	ITALY	91%	91%
Trefinos USA, LLC		Fairfield, CA	U. S. AMERICA	91%	91%
Trefinos, S.L.		Girona	SPAIN	91%	91%
Victor y Amorim, S.L.	(b)	Navarrete - La Rioja	SPAIN	50%	50%
Vinolok a.s	(a)	Jablonec nad Nisou	CZECH REP.	50%	50%
Wine Packaging & Logistic, S.A.	(a)	Santiago	CHILE	16%	16%

Company		Head Office	Country	1H22	2021
Floor & Wall Coverings					
Amorim Cork Flooring, S.A.		**S. Paio de Oleiros**	**PORTUGAL**	**100%**	**100%**
Amorim Benelux, BV		Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%	100%
Amorim Flooring Canada, Inc.		Vancouver	CANADA	100%	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring North America Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring Rus, LLC		Moscovo	RUSSIA	100%	100%
Amorim Flooring Sweden AB		Mölndal	SWEDEN	84%	84%
Amorim Flooring UK, Ltd.		Manchester	UN. KINGDOM	100%	100%
Amorim Japan Corporation		Tóquio	JAPAN	100%	100%
Cortex Korkvertriebs, GmbH		Fürth	GERMANY	100%	100%
Dom KorKowy, Sp. Zo. O.	(b)	Kraków	POLAND	50%	50%
Korkkitrio Oy	(e)	Tampere	FINLAND	78%	51%
Timberman Denmark A/S		Hadsund	DENMARK	100%	100%
Composite Cork					
Amorim Cork Composites, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Amorim (UK), Ltd.		Horsham West Sussex	UN. KINGDOM	100%	100%
Amorim Cork Composites, LLC		São Petersburgo	RUSSIA	100%	100%
Amorim Cork Composites, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Cork Composites, Inc.		Trevor - Wisconsin	U. S. AMERICA	100%	100%
Amorim Deutschland, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
Amorim Sports, Lda.		Mozelos	PORTUGAL	70%	70%
Amorim Sports North America, Inc.		Madison - Wisconsin	U. S. AMERICA	90%	90%
Amosealtex Cork Co., Ltd.	(a)	Xangai	CHINA	50%	50%
Chinamate (Shaanxi) Natural Products Co., Ltd.		Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd.		Hong Kong	CHINA	100%	100%
Compruss – Investimentos e Participações, Lda.		Mozelos	PORTUGAL	100%	100%
Corkeen Europe		Mozelos	PORTUGAL	85%	85%
Corkeen Global		Mozelos	PORTUGAL	100%	100%
Corkeen North America, Ltd.		Madison - Wisconsin	U. S. AMERICA	90%	90%
Corticeira Amorim - France, SAS		Lavardac	FRANCE	100%	100%
Florconsult – Consultoria e Gestão, Lda.		Mozelos	PORTUGAL	100%	100%
Korko - Made By Nature, Lda	(a)	Mozelos	PORTUGAL	50%	50%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Insulation Cork					
Amorim Cork Insulation, S.A.		**Vendas Novas**	**PORTUGAL**	**100%**	**100%**
Holding					
Corticeira Amorim, SGPS, S.A.		**Mozelos**	**PORTUGAL**	**100%**	**100%**
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda.		Mozelos	PORTUGAL	100%	100%
Corecochic - Corking Shoes Investments, Lda.	(a)	Mozelos	PORTUGAL	50%	50%
TDCork - Tapetes Decorativos com Cortiça, Lda.	(a)	Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda.		Montijo	PORTUGAL	100%	100%

(a) - Equity method consolidation.

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

(c) - Company acquired in 2022

(d) - Company set-up in 2022

(e) - Increased interest percentage

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

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

Acquisition of the SACI group

As communicated to the market authorities on January 11, 2022, Corticeira Amorim, through its subsidiary Amorim Cork, SGPS, S.A. reached agreement over the acquisition of 50% of the share capital of SACI S.r.l. ("SACI Group"), headquartered in Ivrea (near Turin) for the amount of €48.7 million. The SACI group was held, in equal shares, by the Getto (Italy) and Perlich (Germany) families. Made up of 17 companies acting in different sectors, the main SACI group activity involves the production and commercialisation of muselets, counting on a team of around 340 staff and a presence in over 30 countries.

Corticeira Amorim considers that it controls the Saci Group in keeping with its holding of 50% of the voting rights. This evaluation derives from Corticeira Amorim deploying the responsibilities attributed that enable the management of the relevant activities of the Saci Group. These activities include, among others, the supply chain, the distribution networks and management reporting. This capacity to manage key activities extends to setting the operating and capital budgets and the nomination of managers and major service providers.

The group opted to measure the interests that it does not control by the respective stake held in the assets and liabilities thereby acquired.

These companies were incorporated into the consolidated perimeter on January 1, 2022.

<u>*Assets and liabilities of the acquired group*</u>

The fair values of the assets and liabilities identified within the scope of this transaction are shown in the table below:

	thousand euros
fair value recognized on the acquisition date	
Tangible assets	25,7
Intangible assets	0,6
Other financial assets	8,7
Other Assets	3,0
Inventories	28,8
Trade Receivables	28,0
Cash and equivalents	16,9
Total Assets	111,7
Non-controlling interest	6,3
Interest bearing debt	8,4
Trade payables	14,9
Other liabilities	5,4
Income tax	1,2

Total Liabilities	36,2
Net Assets	75,6
50% of identifiable net assets	37,8
Goodwill	11,0
Non-controlling Interest at the acquisition date	37,8

On closing the accounts on June 30, 2022, there were no significant differences identified between the fair value of the assets and liabilities and their respective accountancy values. The differences registered were concentrated into the fair value of the financial assets, the fair value of the assets of the Schneider subsidiary and a provision registered in the accounts of the San Bernardo subsidiary. The final analysis of the fair value of the assets and liability will be completed twelve months after the date of acquisition. The goodwill presented, with a value of €11.0 million, represents the remaining value it was possible to identify in the acquired entity and corresponds to the synergies complementary to the activities of Corticeira Amorim. It is not foreseeable that the goodwill recognised in the accounts becomes deductible for fiscal purposes.

It should be noted that of the €37.8M in non-controlling interests on the acquisition date, add €6.3M relating to interests that do not control the consolidated SACI Group.

The contribution of the Saci group to the results of Corticeira Amorim was the following: sale: €57.1 million, EBITDA: €10.6 million and EBIT: €8.2 million.

<u>Acquisition of the remaining 50% of Cold River's Homestead, S.A.</u>

On June 24, 2021, Corticeira Amorim, through its holding Amorim Florestal II, S.A., reached agreement with Banco Comercial Português for the acquisition of 50% of the company Cold River´s Homestead, SA, which holds a set of assets (moveable and immovable assets) attributed to agro-forestry operations, which includes a section (3,300 hectares) of that known as Herdade do Rio Frio, located in the district of Setúbal, for the total amount of 14.5 million euros.

On June 15, 2022, Corticeira Amorim, through its holding Amorim Florestal II, S.A., acquired the 50% stake in the company Cold River´s Homestead, S.A. owned by Parvalorem, S.A.. In the wake of this acquisition, for a total amount of 14.6 million euros, Corticeira Amorim took over complete ownership of Cold River's Homestead, S.A.

This began to be consolidated according to the integral method as from June 30, 2022.

<u>Assets and liabilities of the acquired company</u>

On closing the accounts on June 30, 2022, there were so significant differences identified between the fair value of the assets and liabilities and their respective accountancy value. The fair values of the assets and liabilities identified within the scope of this transaction essentially include the Herdade do Rio Frio property. Hence, the value of the transactions was attributed to the tangible assets acquired and not thereby resulting either in any goodwill or any negative goodwill. The final analysis of fair value of the assets and liabilities will be completed after a period of 12 months as from the date of acquisition.

6. EXCHANGE RATES USED IN CONSOLIDATION

Exchage rates		June 30, 2022	Average 2022	Average 2021	December 31, 2021
Argentine Peso	ARS	131,245	122,600	112,348	116,727
Australian Dollar	AUD	1,510	1,520	1,575	1,562
Lev	BGN	1,956	1,956	1,956	1,956
Brazilian Real	BRL	5,423	5,556	6,378	6,310
Canadian Dollar	CAD	1,343	1,390	1,483	1,439
Swiss Franc	CHF	,996	1,032	1,081	1,033
Chilean Peso	CLP	960,470	901,684	897,723	967,530
Yuan Renminbi	CNY	6,962	7,082	7,628	7,195
Czech Koruny	CZK	24,739	24,648	25,640	24,858
Danish Krona	DKK	7,439	7,440	7,437	7,436
Algerian Dinar	DZD	152,583	155,734	159,140	157,009
Euro	EUR	1,000	1,000	1,000	1,000
Pound Sterling	GBP	,858	,842	,860	,840
Hong Kong Dollar	HKD	8,224	8,551	9,191	8,862
Forint	HUF	397,040	375,129	358,516	369,190
Yen	JPY	141,540	134,307	129,877	130,380
Moroccan Dirham	MAD	10,556	10,604	10,626	10,514
Zloty	PLN	4,690	4,635	4,565	4,597
Ruble	RUB	53,858	83,879	87,153	85,300
Swedish Krona	SEK	10,730	10,480	10,146	10,250
Tunisian Dinar	TND	3,216	3,244	3,280	3,263
Turkish Lira	TRL	17,322	16,258	10,512	15,234
US Dollar	USD	1,039	1,093	1,183	1,133
Rand	ZAR	17,014	16,848	17,477	18,063

7. SEGMENT REPORT

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

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

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

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

thousand euros

1H22	Raw Materials	Cork Stoppers	Floor & Wall	Composite	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	7 628	395 848	74 205	60 631	7 157	54	-	545 523
Other BU Sales	102 972	5 861	3 050	1 105	843	2 674	- 116 506	-
Total Sales	**110 600**	**401 709**	**77 255**	**61 737**	**8 000**	**2 727**	**- 116 506**	**545 523**
EBITDA (current)	**13 389**	**76 736**	**2 192**	**9 743**	**1 092**	**- 2 316**	**- 2 754**	**98 081**
Assets (non-current)	**69 581**	**252 696**	**35 524**	**51 288**	**5 940**	**1 311**	**28 499**	**444 841**
Assets (current)	**171 227**	**505 781**	**81 852**	**61 731**	**8 419**	**20 067**	**- 10 064**	**839 013**
Liabilities	**65 558**	**249 884**	**50 449**	**38 556**	**3 875**	**15 914**	**154 591**	**578 828**
Capex	**4 878**	**21 501**	**2 495**	**4 539**	**1 339**	**- 54**	**-**	**34 698**
Year Depreciation	**- 2 667**	**- 15 627**	**- 3 409**	**- 2 607**	**- 297**	**- 97**	**-**	**- 24 704**
Gains/Losses in associated companies	**- 294**	**2 473**	**-**	**- 41**	**-**	**54**	**-**	**2 192**

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

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

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

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

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

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

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

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

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

Sales by markets:

thousand euros

Markets	1H22		1H21	
European Union	367 837	67,4%	290 152	63,9%
From which: Portugal	44 472	8,2%	30 057	5,8%
Other European countries	17 745	3,3%	14 962	4,0%
United States	95 895	17,6%	76 270	20,5%
Other American countries	36 384	6,7%	29 655	5,7%
Australasia	20 115	3,7%	17 290	4,8%
Africa	7 548	1,4%	4 990	1,0%
TOTAL	**545 523**	**100%**	**433 318**	**100%**

The value of sales relates in its entirety, as in 2021, to contracts covered by IFRS 15 - Revenue from contracts with customers.

8. TANGIBLE ASSETS

thousand euros

	Land and Buildings	Machinery	Other	Tangible Fixed Assets in Progress	Total Tangible Assets
Gross Value	291 734	485 471	38 207	26 536	841 948
Depreciation and impairments	- 173 640	- 355 176	- 31 456	-	- 560 272
Opening balance (Jan 1, 2021)	**118 094**	**130 296**	**6 751**	**26 536**	**281 676**
Increase	453	4 554	466	4 678	10 152
Period deprec. and impairments	- 3 073	- 13 855	- 1 000	-	- 17 929
Sales and other decreases	22	262	51	-	335
Transfers and reclassifications	- 342	14 626	- 176	- 13 017	1 091
Translation differences	377	73	18	10	479
Gross Value	**291 702**	**505 048**	**37 227**	**18 207**	**852 184**
Depreciation and impairments	**- 176 169**	**- 369 093**	**- 31 118**	**-**	**- 576 380**
Closing balance (Jun 30, 2021)	**115 532**	**135 956**	**6 109**	**18 207**	**275 804**
Gross Value	296 569	519 249	38 960	20 838	876 743

Depreciation and impairments	- 179 984	- 381 013	- 31 756	0	- 592 753
Opening balance (Jan 1, 2022)	**116 586**	**138 236**	**7 204**	**20 838**	**283 990**
ENTRADAS	31 652	26 657	- 7 752	1 629	52 186
Increase	1 728	5 579	1 394	22 872	31 574
Period deprec. and impairments	- 3 881	- 16 855	- 1 390	-	- 22 126
Sales and other decreases	- 12	- 371	- 111	-	- 494
Transfers and reclassifications	- 927	4 689	- 2 330	- 2 228	- 796
Translation differences	1 112	198	29	- 157	1 181
Gross Value	**337 582**	**606 381**	**45 757**	**42 954**	**1 033 891**
Depreciation and impairments	**- 191 325**	**- 448 249**	**- 48 713**	**-**	**- 688 286**
Closing balance (Jun 30, 2022)	**146 257**	**158 133**	**- 2 955**	**42 954**	**345 605**

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

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

No interest was capitalised during the period.

9. INTANGIBLE ASSETS AND GOODWILL

thousand euros

	Intangible Assets	Goodwill
Gross Value	25 934	13 849
Depreciation and impairments	- 9 764	- 103
Opening balance (Jan 1, 2021)	**16 170**	**13 746**
Increase	3 938	0
Period deprec. and impairments	- 1 508	0
Sales and other decreases	- 617	0
Transfers and reclassifications	- 301	0
Translation differences	19	- 30
Gross Value	**29 349**	**13 806**
Depreciation and impairments	**- 11 648**	**- 90**
Closing balance (Jun 30, 2021)	**17 701**	**13 716**
Gross Value	30 239	9 946
Depreciation and impairments	- 12 974	- 103
Opening balance (Jan 1, 2022)	**17 266**	**9 843**
ENTRADAS	608	0
Increase	3 216	10 993
Period deprec. and impairments	- 2 265	- 8
Sales and other decreases	- 24	0
Transfers and reclassifications	- 601	0

Translation differences	127	0
Gross Value	**34 045**	**30 956**
Depreciation and impairments	**- 15 717**	**- 10 128**
Closing balance (Jun 30, 2022)	**18 328**	**20 828**

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

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

Detail of goodwill according to the following table:

thousand euros

2021	Opening balance	Increase	Decrease	Reclassification	Transalation differences	End balance
Bourrassé	9 745		- 1 314			8 431
Elfverson	3 903		- 2 589			1 314
Korkkitrio	98					98
Goodwill	**13 746**	**-**	**- 3 903**	**-**	**-**	**9 843**

thousand euros

1H22	Opening balance	Increase	Decrease	Reclassification	Transalation differences	End balance
Bourrassé	8 431					8 431
Grupo Saci	-	10 993				10 993
Elfverson	1 314				- 8	1 306
Korkkitrio	98					98
Goodwill	**9 843**	**10 993**	**-**	**-**	**- 8**	**20 828**

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

In the tests, operating cash-flow growth rates of 10% were used for the period 2022-2024 and 1.4% for the following years in Bourrassé and Elfverson, respectively. The cash flows foreseen for 2022-2024 have been adjusted, relative to the original business plan, to adapt to current market conditions in which the recovery outlook is slower compared to the initial assumption. The discount rate used was 6.98%. In the case of Elfverson, taking into account the arrangements made by the administration, the impairment test was based on fair value less cost to sell. In the test, the same EBITDA multiple was applied in the acquisition of Elfverson. Considering the performance of the first half of 2022, it is concluded not be necessary to amend previously approved plans and impairment tests.

10. RIGHT OF USE

thousand euros

	Right of use
Gross Value	11 531
Depreciation and impairments	- 5 289
Opening balance (Jan 1, 2021)	**6 241**
Increase	592
Period deprec. and impairments	- 1 172
Sales and other decreases	-
Transfers and reclassifications	1 017
Translation differences	11

Gross Value	**13 181**
Depreciation and impairments	**-6 491**
Closing balance (Jun 30, 2021)	**6 689**
Gross Value	13 114
Depreciation and impairments	- 6 941
Opening balance (Jan 1, 2022)	**6 173**
INCREASE	370
PERIOD DEPREC. AND IMPAIRMENTS	- 1 060
SALES AND OTHER DECREASES	-
TRANSFERS AND RECLASSIFICATIONS	3
TRANSLATION DIFFERENCES	9
Gross Value	**13 109**
Depreciation and impairments	**-7 614**
Closing balance (Jun 30, 2022)	**5 495**

11. INVESTMENT PROPERTY

	thousand euros
	Investment Property
Gross Value	22 121
Depreciation and impairments	- 16 718
Opening balance (Jan 1, 2021)	**5 403**
Increase	-
Period deprec. and impairments	- 316
Sales and other decreases	-
Transfers and reclassifications	267
Translation differences	-
Gross Value	**22 121**
Depreciation and impairments	**- 16 768**
Closing balance (Jun 30, 2021)	**5 353**
Gross Value	22 121
Depreciation and impairments	- 16 810
Opening balance (Jan 1, 2022)	**5 311**
ENTRADAS	0
Increase	0
Period deprec. and impairments	- 42
Sales and other decreases	0
Transfers and reclassifications	0
Translation differences	0
Gross Value	**22 121**
Depreciation and impairments	**- 16 853**
Closing balance (Jun 30, 2022)	**5 269**

The amount of 5,269 K€, referred as Investment Property (December 31, 2021: 5,311 K€), is due, mainly, to land and buildings that are not used in production.

The fair value of the Investment Properties in the case of the land and building in Corroios (determined on the basis of an independent valuation) is close to the value recorded in the accounts. This item also includes a property (Interchampagne with a value of 1,280 K€) with a recent valuation that corresponds to the book value. At the end of June 30, 2022, management made an analysis of these valuations and considered that they remained up to date.

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

12. INVESTIMENTS IN ASSOCIATES AND JOINT-VENTURES

thousand euros

	1H22	2021	1H21
Opening Balance	**42 401**	**24 046**	**24 046**
In / Out	- 15 262	15 403	15 243
Results	2 192	2 995	2 242
Dividends	- 790	- 1 822	- 350
Exchange Differences	- 549	53	- 21
Other	2 129	1 726	838
End Balance	**30 121**	**42 401**	**42 008**
Equity method	2 192	2 995	2 242
Gains on disposal of associates	0	0	0
Share of (loss)/profit of associates and joint-ventures	**2 192**	**2 995**	**2 242**

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

thousand euros

	1H22			
	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	6 475	1 715	8 190	994
Wine Packaging & Logistic	1 147	-	1 147	22
Corchos Argentina	5 189	-	5 189	- 542
Vinolok	15 035	-	15 035	2 000
Cold River´s Homestead	0	-	0	- 291
Outros	560	-	560	10
End Balance	**28 406**	**1 715**	**30 121**	**2 192**

thousand euros

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

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

13. DEFERRED TAX / INCOME TAX

- ## Deferred tax and income tax

The difference between the tax due for the current period and prior periods and the tax already paid or to be paid of these periods is booked as "deferred tax" in the consolidated income statement and amounts to 475 K€ (30/06/2021: -150 K€).

On the consolidated statement of financial position this effect, excluding tax contingencies, amounts to 13,347 K€ (31/12/2021: 12,131 K€) as asset, and to 49,798 K€ (31/12/2021: 51,041 K€) as liability.

Deferred tax related with items directly registered in equity was 144 K€ (credit balance) and relates to hedge accounting. No other deferred tax values related with other equity movements were booked.

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

thousand euros

	1H22	2021	1H21
Related with Inventories and third parties	7 820	6 860	7 303
Related with tax losses carry forward	1 648	1 450	1 769
Related with Fixed Tangible Assets / Intang. / Inv. Prop	981	981	1 014
Related with other deductable temporary differences	2 898	2 841	3 256
Deferred Tax Assets	**13 347**	**12 131**	**13 341**
Related with Fixed Tangible Assets	3 669	4 190	3 821
Related with other taxable temporary differences	3 691	3 205	2 708
Tax contingencies	42 437	43 646	43 896
Deferred Tax Liabilities	**49 798**	**51 041**	**50 424**
Current Income Tax	- 19 920	- 15 805	- 15 509
Deferred Income Tax	475	- 2 617	- 150
Income Tax	**- 19 445**	**- 18 422**	**- 15 659**

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

thousand euros

	1H22		
	before tax	tax	after tax
Itens that could be reclassified through income statement:			
Change in derivative financial instruments fair value	- 976	144	- 832
Change in translation differences	2 581	-	2 581
Share of other comprehensive income of investments accounted for using the equity method	1 573	-	1 573
Other comprehensive income	133	-	133
Other comprehensive income	**3 311**	**144**	**3 455**

thousand euros

	1H21		
	before tax	tax	after tax
Itens that could be reclassified through income statement:			

Change in derivative financial instruments fair value	- 668	99	- 569
Change in translation differences	1 314	-	1 314
Share of other comprehensive income of investments accounted for using the equity method	817	-	817
Other comprehensive income	- 68	-	- 68
Other comprehensive income	**1 395**	**99**	**1 494**

- ## Income tax (Stament of Financial Position)

			thousand euros
	1H22	**2021**	**1H21**
Incometax-minimumadvances	167	167	112
Incometax-advances/toberecovered	2 208	9 943	3 155
Incometax-withholding	55	288	193
Incometax-specialpayment(RERD)	2 093	2 093	2 093
Incometax-specialpayment(RERD)impairment	- 2 093	- 2 093	- 2 093
Incometax-specialpayment(PERES)	5 330	5 330	5 330
Incometax-specialpayment(PERES)impairment	- 5 330	- 5 330	- 5 330
Incometax(assets)	**2 429**	**10 398**	**3 460**
Incometax-Estimationandothers	12 506	4 421	13 030
Incometax(liabilities)	**12 506**	**4 421**	**13 030**

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

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

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

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

The liability amount under this caption includes the estimate of the income tax payable under the Special Regime for Taxation of Groups of Companies and by some foreign subsidiaries.

<u>Provisions for tax contingencies</u>

In the year ended June 30, 2021, contingencies to deferred taxes with the item ending with 42.4 million euros. During the year, the provisions in the Balance Sheet decreased by 1.2 M€. This variation is essentially due to the receipt of final declarations from SIFIDE 2019 and the calculation for the purposes of estimating SIFIDE 2020.

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

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

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

The value of tax processes to date for the June 30, 2022 accounts amounted to 8.3 M€, being fully provisioned.

In addition to the tax provisions referred to above, CORTICEIRA AMORIM has recorded a provision to cover the tax benefits to apply for 2021 and applied in previous years. The certification requirement by ANI of SIFIDE projects, the requirement for maintenance of jobs over five years in RFAI projects as well as other constraints to the realization of benefits, has led CORTICEIRA AMORIM to record provisions in order to take account of future breaches of such requirements. It should be noted that the determination of the tax benefits can not be concluded, since its constraints extend over several years, in particular as regards the maintenance of jobs.

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

CORTICEIRA AMORIM has a large number of other favourable processes. They refer, in essence, to payments related with autonomous taxation, inspection fees and tax benefits. The value of these processes amounts to 0.8 M€, which is not recorded as part of its assets. Total contingent assets amounts to 10.3 M€ (including amounts paid under the RERD and PERES).

14. INVENTORIES

thousand euros

	1H22	2021	1H21
Goods	22 654	21 320	19 381
Raw materials	180 919	183 653	168 881
Finished and semi-finished goods	147 139	117 900	119 469
Work in progress	32 150	25 172	17 459
Finished and semi-finished goods impairments	- 5 301	- 5 876	- 6 543
Raw materials impairments	- 4 648	- 2 002	- 1 526
Inventories	**372 913**	**340 167**	**317 121**

thousand euros

Impairment losses	1H22	2021	1H21
Initial Balance	**7 879**	**8 390**	**8 390**
Increases	2 725	1 873	1 405
Decreases	654	2 385	1 726
End Balance	**9 949**	**7 879**	**8 070**

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

15. TRADE RECEIVABLES

thousand euros

	1H22	2021	1H21
Gross amount	274 712	192 320	221 985
Impairments	- 10 993	- 9 668	- 10 575
Trade receivables	**263 720**	**182 653**	**211 410**

Impairment losses	1H22	2021	1H21
Initial Balance (reported)	**9 668**	**12 174**	**12 174**
Increases	1 522	1 654	856
Decreases	- 1 544	- 3 984	- 2 257
Others	1 347	- 176	- 1 209
End Balance	**10 993**	**9 668**	**10 575**

Increases and decreases were recognized under the account heading, impairment of assets, in the income statement.

16. OTHER DEBTORS AND OTHER ASSETS

- Other debtors

thousand euros

	1H22	2021	1H21
Hedge accounting assets	180	1 154	87
VAT	22 185	23 585	19 075
Stamp tax/VAT - special payment (PERES)	2 051	2 051	2 051
Stamp tax/VAT - special payment (PERES) impairment	- 2 051	- 2 051	- 2 051
Investments in funds, capitalization insurance and similar	8 478	-	-
Others	20 307	21 851	9 365

Other debtors	**51 150**	**46 590**	**27 909**

At the end of 2022 and 2021, there were no overdue in the amounts of VAT.

- ## Other assets

thousand euros

	1H22	2021	1H21
Accrued income	681	478	1 216
Advances to suppliers	46 905	7 107	26 636
Deferred costs	3 359	2 011	2 229
Other assets	**50 945**	**9 596**	**30 081**

Other non-current debtors include advances to suppliers (2,711 K€), which will only be fulfilled for more than 12 months.

17. CASH AND EQUIVALENTS

thousand euros

	1H22	2021	1H21
Cash	477	924	420
Bank Balances	90 962	105 948	92 973
Term deposits	4 378	2 706	9 253
Others	2 039	26	1 032
Cash and cash equivalents as for stament of financial position	**97 855**	**109 604**	**103 678**
Overdrafts	- 31 044	- 42 544	- 34 871
Cash and cash equivalents as for cash flow statement	**66 811**	**67 060**	**68 807**

18. CAPITAL AND RESERVES

- ## Share Capital

As of June 30, 2022, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

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

- ## Treasury stock

As of June 30, 2022, CORTICEIRA AMORIM held no treasury stock.

No purchases were registered during the first half of 2022.

- ## Legal reserve and share premium

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

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

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

- ## Other reserves

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

- ## Dividends

In the Shareholders' General Meeting of April 28, 2022, a dividend distribution of 0.27 euros per share was approved. The respective payment was made on May 13, 2022 .

thousand euros

	1H22	2021	1H21
Approved dividends	26 600	35 910	24 605
Dividends paid	**26 600**	**35 910**	**24 605**

19. NON-CONTROLLING INTEREST

	thousand euros	
	1H22	**1H21**
Initial Balance	**27 336**	**26 948**
In	50 032	17
Out	-403	- 0
Results	6 399	2 301
Dividends	- 308	- 535
Exchange Differences	- 28	- 17
Others	0	15
End Balance	**83 028**	**28 729**

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

20. INTEREST BEARING DEBT

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

			thousand euros
	1H22	**2021**	**1H21**
Overdrafts and bank loans	47 317	62 863	47 401
Leasing	1 768	1 779	2 380
Factoring	0	5 462	251
Subsídios reembolsáveis	23	0	0
Commercial paper	0	0	20 000
Interest-bearing loans - current	**49 108**	**70 103**	**70 032**

Non-current interest bearing loans was as follows:

thousand euros

	1H22	2021	1H21
Bank loans	34 302	21 190	23 064
Reimbursable grants	23		0
Leasing	3 189	4 015	3 906
Commercial paper	42 450	22 450	20 000
Bond loans	40 000	39 918	39 918
Interest-bearing loans - non-current	**119 964**	**87 573**	**86 889**

From non-current and current interest bearing debt, 87.0 M€ carries floating interest rates. Remaining 82.1 M€ carries fixed interest rate. Average cost, during 1H22, for all the credit utilized was 1.02% (2021: 0.89%).

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

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

On August 3, 2021, Corticeira Amorim reformulated a 20 M€ commercial paper emissions program, transforming it into Sustainability Linked through the introduction of two KPIs: (i) renewable energy consumption and (ii) valued non-cork waste; influence the interest rate on emissions if the respective levels set as an objective are not met. This program will expire on August 3, 2024.

Corticeira Amorim 3rd ESG operation – a €11.6 M€ green commercial paper emissions program – was implemented on December 17, 2021 and will expire on December 22, 2026, intended to finance investment in photovoltaic panels by a group of companies from Corticeira Amorim various Business Units.

As of June 30, 2022, CORTICEIRA AMORIM had credit lines with contractual clauses that include covenants generally used in these type of contracts, namely: cross-default, pari-passu and in some cases negative pledge.

On that same date, a foreign subsidiary of Corticeira Amorim had a value of about 251 K€ of exposure covered by fixed asset mortgage guarantee. This asset is recorded in the statement of the financial position of that subsidiary.

CORTICEIRA AMORIM uses two credit lines on June 30, 2022 (for a total of 52 M€) with associated financial covenants. These included ratios accomplishment that allowed for an accompaniment of the financial position of the company, namely:

- assets coverage ratio;

- fixed charge coverage ratio;

- net income; e

- Net debt/ EBITDA

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

In addition, it is important to inform that the capacity to ensure debt service was further enhanced by the existence, as of June 30, 2022, of 238.6 million euros of credit lines approved, but not used.

21. TRADE PAYABLES

thousand euros

	1H22	2021	1H21
Trade payables - current account	83 312	72 036	58 073
Trade payables - confirming	80 392	72 752	69 733
Trade payables -invoices pending	50 986	16 036	33 655
Trade payables	**214 690**	**160 825**	**161 461**

From the total values, 58% comes from Cork Stoppers BU (Dec. 2021: 53%) and 21% from Raw Materials BU (Dec. 2021: 22%).

22. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

- ## Other financial liabilities

thousand euros

	1H22	2021	1H21
Repayable grants	12 502	14 527	16 518
Agreement to acquire non-controlling interests	-	-	5 007
Other	2 121	117	414
Other financial liabilities - non current	**14 623**	**14 644**	**21 938**
Repayable grants	3 582	2 870	3 101
Agreement to acquire non-controlling interests	4 962	4 962	4 955
Accrued costs - supplies and services	8 604	5 789	5 175

Accrued costs - others	8 913	7 777	7 893
VAT	10 254	6 271	9 701
State and social security - withholding and others	6 642	7 605	4 496
Other	40 615	10 541	10 448
Other financial liabilities - current	**83 572**	**45 816**	**45 769**

The agreement to acquire non-controlling interests results from the purchase of S.A.S. ETS CHRISTIAN BOURRASSÉ, in which 60% of the share capital was first acquired, for the amount of 29 million euros. The agreement provides for the subsequent acquisition by 2022 of the remaining 40% ("agreement for acquisition of non-controlling interests") at a price which, based on the value already paid for the first 60%, will also depend on the evolution of BOURRASSÉ's performance in next years. The first tranche of 10% was acquired during the month of July 2019, in July 2020 the second tranche, and in June 2021 the third tranche. In July 2022 was acquired the four and last tranche corresponding to +10% of Bourrassé. The amount recognised in other financial liabilities corresponds to the remaining amount to be paid for the missing 10%, discounted at the average financing rate of Corticeira Amorim. The changes in present value are recognised in financial expenses and financial income. The increase of 1 p.p. of the financing rate would have an immaterial effect on the liability recognised. Other creditors include the payment of the remaining amount (23 million euros) related to the acquisition of 50% of the SACI Group. This amount was paid in early July.

- ### Other liabilities

thousand euros

	1H22	2021	1H21
Non-repayable - grants	5 483	4 326	3 281
Income to be recognized	1 250	68	596
Accrued costs - staff costs	21 524	13 308	20 751
Other liabilities - current	**28 257**	**17 701**	**24 628**

23. IMPAIRMENTS OF ASSETS

thousand euros

	1H22	1H21
Receivables	22	1 288
Tangible, intangible assets and others	45	59
Impairments of assets and non-current costs	**67**	**1 347**

Receivables include customers and other debtors.

24. NON-RECURRENT RESULTS

In non-recurring results are represented customer balances and stocks with Russia, where 100% of these balances were provisioned.

thousand euros

	1H22	1H21
Customer impairment	- 637	0
Stock impairment	- 420	0
Non-current results	**- 1 057**	**0**

25. RELATED-PARTY TRANSACTIONS

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

As of June 30, 2022, financial stake of AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. in CORTICEIRA AMORIM was 51%, corresponding to 51% of the voting rights.

CORTICEIRA AMORIM related party transactions are, in general, due to the rendering of services through some of AIP subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total sales of these subsidiaries to the remaining CORTICEIRA AMORIM companies totalled 6,693 K€ (Jun. 2021: 6,714 K€).

Cork acquired during 1H2022, from companies held by the main indirect shareholders of CORTICEIRA AMORIM, amounted to 1,361 K€ (Jun. 2021: 307 K€).

Balances at year-end 2021 and June 30, 2022 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

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

26. PROVISIONS

thousand euros

	1H22	2021	1H21
Tax contingencies	128	122	171
Guarantees to customers	804	677	569
Others	2 570	2 900	2 316
Provisions	3 502	3 698	3 055

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

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

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

27. ATIVITY DURING THE YEAR

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

28. OTHER INFORMATION

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

	1H22	1H21
Total issued shares	133 000 000	133 000 000
Average nr. of treasury shares	-	-
Average nr. of outstanding shares	133 000 000	133 000 000
Net Profit (thousand euros)	47 564	39 432
Net Profit per share (euros)	0,358	0,296

b) Guarantees

During its operating activities CORTICEIRA AMORIM issued in favour of third-parties guarantees amounting to 276 K€ in June 2022 (Dec. 2021: 283 K€).

thousand euros

Beneficiary	Amount	Purpose
Government agencies	77	Investment support
Other	199	Other
TOTAL	276	

c) Financial Assets and Liabilities

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

Detail is as follows:

thousand euros

	Financial assets at amortized cost	Financial assets at fair value	Derivatives as hedging	Total
Trade receivables (note 15)	182 653			182 653
Other financial assets (note 16)	45 436	1 868	1 154	48 458
Cash and cash equivalents (note 17)	109 604			109 604
Total as of December 31, 2021	**337 693**	**1 868**	**1 154**	**340 715**
Trade receivables (note 15)	263 720			263 720
Other financial assets (note 16)	42 492	10 569	180	53 242
Cash and cash equivalents (note 17)	97 855			97 855
Total as of June 30, 2022	**404 068**	**10 569**	**180**	**414 817**

thousand euros

	Loans and payables	Accounts payable	Agreement to acquire non-controlling interests	Derivatives as hedging	Derivatives not designated as hedging	Total
Interest-bearing loans (note 20)	157 676					157 676
Trade payables (note 21)		160 825				160 825
Other financial liabilities (note 22)	17 397	36 973	4 962	1 086	41	60 459
Total as of December 31, 2021	**175 073**	**197 798**	**4 962**	**1 086**	**41**	**378 960**
Interest-bearing loans (note 20)	169 072					169 072
Trade payables (note 21)		214 690				214 690
Other financial liabilities (note 22)	16 084	74 844	4 962	2 305		98 195
Total as of June 30, 2022	**185 156**	**289 534**	**4 962**	**2 305**	**-**	**481 957**

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

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

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

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

d) Reconciliation of Alternative Performance Measures

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

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

29. SUBSEQUENTS EVENTS

As foreseen in the acquisition contract, an additional 10% of Bourrassé was purchased in July for €5 million, thus becoming the owner of 100% of Bourrassé.

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

Mozelos, August 1, 2022

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

António Rios de Amorim (Chairman)

Nuno Filipe Vilela Barroca de Oliveira (Vice-President)

Fernando José de Araújo dos Santos Almeida (Member)

Cristina Rios de Amorim Baptista (Member)

Luisa Alexandra Ramos Amorim (Member)

Juan Ginesta Viñas (Member)

José Pereira Alves (Member)

Marta Parreira Coelho Pinto Ribeiro (Member)

Cristina Galhardo Vilão (Member)

António Lopes Seabra (Member)

About Corticeira Amorim SGPS, S.A.:

Having started its activity in the 19th century, Corticeira Amorim has become the largest cork product processing company in the world, generating a turnover of more than 830 million euros in more than 100 countries, through a network of dozens of subsidiary companies.

Investing millions of euros annually in R&D, Corticeira Amorim is a company committed to promoting this unique raw material, developing a varied portfolio of 100% natural products that are used by some of the most technological and demanding industries in the world, such as wine & spirits, aerospace, automotive, construction, sports, interior design and fashion industries.

Corticeira Amorim's approach to the choice of raw materials and its sustainable production processes are the basis of a unique interdependence between the industry and an important ecosystem, the montado - a paradigmatic example in terms of sustainable social, economic and environmental development.

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

Limited Review Report on the Consolidated Financial Statements

Introduction

We have performed a limited review on the accompanying consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 30 June 2022 (showing a total of 1.283.853 thousand euros and a total equity of 705.026 thousand euros, including a net profit attributable to equity holders of the Group of 47.564 thousand euros), the Consolidated Statement of Income by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the six months period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Management responsibilities

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

Auditor’s responsibilities

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A. as at 30 June 2022, have not been prepared, in all material respects, in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34).

Porto, 27 September 2022

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

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
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